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WELFARE REFORM HEARINGS IN NEW YORK CITY

HEARINGS

BEFORE THE

SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY

OF THE

COMMITTEE ON FINANCE
UNITED STATES SENATE

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WELFARE REFORM HEARING IN NEW YORK CITY

MONDAY, APRIL 27, 1987

U.S. SENATE,
SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY,
SENATE FINANCE COMMITTEE,
New York, NY.

The hearing was convened, pursuant to notice, at 10 a.m. in the Board of Estimates Chamber, City Hall, New York, NY, Hon. Daniel Patrick Moynihan (chairman of the subcommittee) presiding.

[The press release announcing the hearing follows:]

[Press Release No. H-42]

SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY TO HOLD FIELD HEARING IN NEW YORK CITY ON WELFARE REFORM

Washington, DC.—Senator Daniel Patrick Moynihan (D., N.Y.), Chairman, announced today that the Subcommittee on Social Security and Family Policy of the Senate Finance Committee will continue its hearings on welfare reform with a field hearing in New York City.

The field hearing is scheduled for Monday April 27, 1987 at 10:00 a.m. in the Board of Estimates Chamber, City Hall, New York, New York.

Senator Moynihan stated that the Subcommittee will explore the related issues of welfare reform and the status of children in poverty. A particular focus of this hearing will be those aspects of the welfare system which are designed to protect and provide services to families and children in crisis.

Senator Moynihan stated that testimony at this hearing would be received from invited witnesses only. A list of witnesses will be announced at a later date.

Senator **MOYNIHAN**. I would like to say good morning to our guests and to announce we now commence the formal hearing of the Subcommittee on Social Security and Family Policy of the Committee on Finance of the United States Senate.

We are very much in debt of our host on this occasion, the distinguished President of the City Council of New York, Honorable Andrew Stein.

We have an extensive hearing list of witnesses and we will get to them directly. I might just state the purpose of our hearing which is a field hearing to gather testimony with respect to legislation which is shortly to be introduced. We have held a series of subcommittee and full committee hearings in Washington with respect to the whole question of child support.

As President Stein will remark in his opening statement, we have come upon something quite without precedent in our nation and wholly unexpected. We look up after years of economic effort and social effort to find that for the first time in our nation's history the poorest group in the population is the children.

Here in New York City some forty percent of our children are poor; they are the poorest people in the richest city in the world. It is a condition without precedent and experience. In the past children were just as badly off as their parents. Suddenly something new has happened and we surely can't cope with it.

We have many distinguished witnesses who have understood, anticipated and foretold these developments and we look forward to hearing them. But, first, Mr. President, would you care to make some opening remarks? I have a statement which I will place into the record at this time (handing).

Today we come to our first field hearing in a series on replacing the Aid to Families with Dependent Children program with a new national system of child support. This morning's hearing will focus, more specifically, on the condition of families and children.

The Finance Subcommittee on Social Security and Family Policy commenced this series of welfare reform hearings in January; we have held five hearings over the last three months.

Among the central themes emerging from those hearings are these: AFDC cannot be reformed. It should be replaced. We need a wholly new system of child support that, without sacrificing financial security, puts its first emphasis on parents' responsibility to support their children.

In developing legislation, I have suggested we be guided by three principles:

First, the primary responsibility for child support rests with parents. In single parent families, the absent parents—fathers ninety percent of the time—must contribute toward their children's support.

Second, the able-bodied mother of a child also has a responsibility to support her child by working, at least part time.

Third, if we expect a mother to go to work, it is incumbent upon us to help her train for and find a job. At the same time, we must provide the child care, support, and transitional services that a working single parent requires.

How would this new system affect absent fathers? We know that at present only fifty-eight percent of single mothers with children have court orders for child support from the absent father. Of these, only half receive the full amount due them; a quarter receive partial payment; and the remainder receiving nothing. We need to greatly improve our child support collection, and we propose to do this in three ways.

First, we need to establish each child's paternity. We can help by requiring the establishment of paternity in order for families to receive benefits. In those cases in which the father is not immediately identified, we need to simplify and speed up the legal and medical proceedings.

Second, we need to be able to track absent parents during the eighteen years in which they are financially responsible for their children. An obvious way to do this is by requiring both parents' Social Security account numbers on a document attached to the birth certificate. We can also improve efforts to locate fathers, especially across state lines.

Third, we need to greatly improve child support collection by developing a no-fault child support system.

New York State, I am glad to say, improved its total child support collections from $145 million in 1981 to $205 million in 1985. But testimony at our hearings indicates that there is much more to be done.

What are the responsibilities of the other parent, most often the mother, who is the child's custodian? She, too, has a responsibility to contribute financially to the support of her child. States have been experimenting with written contracts between mothers and the public agency, stating clearly what each can expect from the other.

On one side, the custodial parent agrees to engage full or part time in some level of education, training, job search, or work experience leading toward eventual full-time employment.

On the other side, the state agrees to provide support for the family, training and education opportunities geared to the parent's needs, assistance in job placement, and day care and medical care for the entire family during the training period.

Fortunately, in our hearings we learned a great deal from the states' experience in education and job programs. New York State's Employment Opportunities Program, directed toward giving people the tools they require for self-sufficiency, now has 12,500 enrolled, out of a total of 75,000 eligible AFDC mothers with children six years and older. Evaluations of programs now in progress show that modest but measurable gains have been made in work effort and earnings.

Further, wage earning brings parents into the mainstream of American life. When Social Security was first set up in 1935, married women did not work outside of the home. The AFDC program provided income assistance to widowed mothers so they could continue to stay home and raise their children.

But that expectation has changed in society as a whole. Mothers with children of all ages enter the work force these days. In 1986, seventy-two percent of mothers with children aged six through seventeen were in the labor force, at least part time; fifty-four percent of mothers with children six and under were employed at least part time. But we have not helped AFDC mothers participate in this movement into the work force. We now propose to do so.

During our hearings, testimony given by social scientists, economists, and public officials reinforced a vitally important fact, one which we have only recently come to understand: The poor are not one undifferentiated mass of people. For most of them, AFDC provides a temporary means of support while they get their lives together.

Others, though, need more help. Teenage mothers, for example, may need intensive assistance to stay in school, to train for jobs, and to learn how to care adequately for their babies.

Fortunately, again, the states are accumulating experience in tailoring programs to such differing needs. In any effort to reform the federal welfare system, we must give governors the flexibility and resources they need to design and operate programs best suited to the specific needs of their state's caseload, economy, and labor market.

A very important part of the package will be Medicaid and child care coverage for providing transitional support for low income parents who leave the rolls, but whose income is still insufficient to meet their basic needs.

But even a new system to replace our present AFDC program will not address some of the most intractable problems facing children, youth and families. We heard one thing again and again in our hearings: The problem is not the AFDC program; the problem is how to provide adequate support for our children.

The crisis in foster care, the situation of boarder babies, the increasing number of families flocking to public shelters for lack of adequate and affordable housing—these are only a few of the problems confronting children.

In Congress, we have been taking some steps to address these problems, but much remains to be done. A quick review of our efforts to meet the urgent needs of children and families may be useful.

The Senate passed on April 9th the Urgent Relief for the Homeless Act, of which I was a cosponsor. This package authorizes $423 million in new spending for the current fiscal year. Included in the package is a provision I offered that helps homeless children attend school. In some states—even our own New York—children without a fixed address have had difficulty enrolling in a school near the shelter where they are staying.

The bill also provides funds to the states to cover part of the increased costs of transporting children to school. In New York State, for example, seventy percent of the 8,000 elementary age homeless children do not regularly attend school.

A March 1987 study by the New York State Department of Education found that at least twelve school districts in New York State denied access to education to children because of a residency requirement or question of guardianship.

Another concern of mine is providing permanent housing for the homeless. Why are we paying outrageous rents to "welfare hotels" which often do not provide a safe environment for children? I have joined my friend and colleague, Representative Chuck Shumer in introducing the Permanent Housing for Homeless Families Act, which would allow states and cities to spend the housing portion of their emergency assistance funds on up-front grants for the construction of permanent housing for the homeless. The current use of funds under the Emergency Assistance Programs amounts to nothing more than a "quick fix." What we need is a lasting solution to the problem of homelessness.

As you may know, I have been deeply concerned with the problems of older foster care youth, and I introduced the independent living provisions which became law last year. During the current fiscal year, $45 million was to be disbursed to the states for transition programs for youth sixteen to eighteen.

However, the Department of Health and Human Services delayed issuing program regulations until recently. As a result of my raising the issue with the Acting Secretary of Human Development Services, the Acting Secretary has said the funds will now be released. The means states can provide services to youth who "age out" of the foster care system and need help to establish themselves as self-sufficient adults.

I am pleased to report that New York State will receive $7,448,116 for its independent living programs this year, which will benefit 1,618 youth statewide. An estimated fifty to sixty percent of the money will go to New York City, where the problem is especially acute.

In another effort to provide more resources to the grossly inadequate foster care system, I am supporting, as a co-sponsor, a bill to increase federal funding of the Social Services Block Grant (Title XX of the Social Security Act) for the next three years. Funding during fiscal year 1988 would increase by $200 million, for fiscal year 1989 by $300 million, and for fiscal year 1990 by $400 million.

Part of these funds support day care; the increased money could help provide care for homeless children in shelters, for foster children, and for children whose families are in crisis. Also included in Title XX is funding for protective services and foster care for children suffering from abuse and neglect.

A particular challenge to New York City's foster care system is the problem of babies abandoned in hospitals. At present New York City hospitals house 300 babies whose parents are not able to care for them. Clearly, hospitals are not homes; babies need permanent caretakers. Certainly foster care placement or adoption should be speeded up.

As part of our larger welfare reform initiative, I will propose legislation to authorize demonstration projects to test innovative methods for providing suitable foster care environments for boarder babies and toddlers.

On another matter, New York City faces an epidemic experienced nationally: unprecedented levels of teenage pregnancy. In 1984, the most recent year for which final data is available, 35,042 girls between ages ten and twenty became pregnant in New York City. Of these, 1,250 pregnancies were to young girls under the age of fifteen.

I know not a soul who would argue that a young girl that age, having barely reached biological adulthood herself, is capable of fulfilling the enormous responsibility of parenthood.

If we in the Congress are able to pass a welfare reform bill this year, we will have taken one major step toward improving the way we care for our children. Yet that alone will be insufficient. We in Washington, you in the cities and the private sector, together we must confront the host of troubling problems that puts so many children at risk and so many families in "crisis."

We are fortunate to have with us today a distinguished panel of experts to discuss these and related problems, and how we can best begin to address them. On behalf of the members of the Subcommittee on Social Security and Family Policy, I thank you and welcome you.

Mr. STEIN. Thank you, Senator.

STATEMENT OF ANDREW STEIN, PRESIDENT, NEW YORK CITY COUNCIL

Mr. STEIN. Good morning. As President of the New York City Council, I would like to welcome the Subcommittee on Social Security and Family Policy of the Senate Finance Committee and its Chairman, Senator Moynihan, to City Hall. I thank you, Senator, for inviting me to co-chair today's hearing on New York's families and children in crisis.

No issue could be more important to this city than the condition of its children. The fearful circumstances so many children face every day have become an all too visible part of our landscape.

How, in this glittering city, can we possibly explain indices of misery such as the following:

An estimate forty percent of New York's children living below the poverty level;

Eleven thousand children homeless;

Over 45,000 separate cases of child abuse or neglect reported last year;

Three hundred babies languishing in hospitals because there are no foster homes;

Seventy percent of our minority children not graduating from high school;

Thirteen thousand teenagers having babies last year.

Perhaps the most ominous revelation of what the future holds for our children is yours, Senator. You have estimated that "half of the children being born in America's biggest, most important and wealthiest city would expect to be on public assistance before they graduated, or failed to graduate, from high school."

If that is so, then this city faces a calamity. How could any responsible city official not be deeply apprehensive about the long-term consequences of so many children growing up in abject poverty, without homes, without decent health care or education?

Clearly, what government does or fails to do in responding to this appalling human distress will shape the quality of life for all of us in the decades to come. Unless we act now to stem the tide of poverty and family disintegration, the damage to the city's social fabric and its most precious democratic institutions will be incalculable. This includes our already battered public schools, where a third of all students are on public assistance.

This is a national crisis as well. Obviously it requires national solutions. We city officials are grateful for the leadership and the public attention focused on these issues by this subcommittee.

Your recent hearings on the failures of our national welfare system have generated many excellent proposals for reforming that system. A consensus is emerging that America needs more rational policies for helping poor families escape the dreadful trap of dependency and social pathology.

There are many things that government can do to help the nation's twelve million poor children. I do not accept the argument still often made in Washington that so many children are in poverty because the government tried to do something about it.

The sad fact is that over the past fifteen years, government assistance payments for poor children eroded by over one-third. It is no coincidence that social pathology has exploded during that period.

Ultimately, we must not rely on public assistance as the only answer to poverty. Thankfully, there is now growing recognition that government must promote independence for welfare recipients by providing training and jobs. The best solution for poverty is work at a decent wage.

Another step—one that you have championed, Senator—would compel state and local governments to enforce existing laws requiring absent parents to contribute to the support of their dependent children.

Finally, I believe that local government will have to do a more effective job delivering essential social services to families at risk.

That is the focus of today's hearing.

In New York City the interconnected problems of homelessness, child abuse, teenage pregnancy and drug addiction overwhelm thousands of families every year. When government fails to reach these families with effective preventive services, they fall apart, and the children are relegated to a bleak foster care system. Neither the parents nor the children are then very good candidates for welfare reform programs.

Dozens of children die of abuse and neglect every year in New York City who could be saved by prompt and efficient intervention. Thousands more linger in foster care, or must be kept caged in hospital cribs, or sleep in welfare offices, or are shunted around from one group home to another, because city government has failed them.

These are some of the social ills today's witnesses will be addressing. They cry out for immediate attention. They are also indicative of the wider dilemma of dependency.

Senator Moynihan, I thank you for convening this hearing and helping us focus public attention on these desperate problems. And I applaud your recognition that the issues of welfare reform and social services to families in crisis are closely linked.

Senator **Moynihan**. Our first witness will be David Tobis, Senior Associate, Welfare Research Incorporated.

We are going to ask our witnesses to limit their presentation to ten minutes, as we want to hear everyone and our hearing is going to end at 1:00. Then we will have five minutes for questioning.

Thank you very much, Mr. Tobis, for coming.

STATEMENT OF DAVID TOBIS, SENIOR ASSOCIATE, WELFARE RESEARCH, INC.

Mr. **Tobis**. I want to thank you both for this opportunity to speak as an individual about ways to help children and families. I want to make three points regarding services and welfare reform. First, poverty in New York City among children and families is widespread and the consequences are enormous. Second, the assistance that families need to survive and possibly escape their dependence is not reaching them.

And, third, if efforts to reform the welfare system are to have even modest success, a vastly expanded and improved network of services will have to be created. Fortunately, there are do-able solutions which have been known for years.

One hundred years ago when Jacob Riis published his famous book about children and poverty he was speaking loosely when he titled it How the Other Half Lives. Today our estimates are more precise—forty percent of New York City's children live below the poverty level. Poverty is the main factor consistently associated with problems such as abuse and neglect, teenage pregnancy, and homelessness.

This fiscal year 81,000 reports of child abuse or neglect will be filed on children in New York City alone. Studies show that abuse and neglect is not merely associated with poverty but that the problems of poverty are causative agents in abusive and negligent behavior. In some New York City neighborhoods as many as twenty percent of the children have been reported to be abused and neglected during the past five years.

Teenage pregnancy is another problem associated with raising children in poverty. It is a problem among all income groups but is most severe among the poor. In 1983 more than 32,000 teenagers in New York City between fifteen and nineteen became pregnant; almost 14,000 gave birth. Roughly two-thirds come from low income families. Perhaps as many as one in ten teenage girls living in poverty gives birth each year.

One of the background papers on welfare reform prepared by the American Enterprise Institute presents the notion of "behavior dependency." It is described as the behavior of poor people, caused not by low income, but by their growing inability to cope.

The report says that many stay dependent on welfare through their own behaviors. The study concludes, "Those who do the following three things are unlikely to stay long in poverty: (1) complete high school, (2) get married and stay married, and (3) stay employed at a job, even at first at the minimum wage."

Their position reminds me of a bumper sticker I saw last week which said, "Marriage is the cause of divorce." The sticker meant that if you don't get married, you won't get divorced. True, of course. But it is the same type of distorted reasoning used by some welfare reformers to describe "dependency behavior" among the poor. They say the poor are dependent because they drop out of school, have babies as teenagers and don't work.

All those things are true but there are reasons that people engage in these types of behaviors, and those reasons are often associated with poverty and the resulting hopelessness. Welfare reform must provide services and assistance to families that address the material problems of their lives which are often the main cause of their dependence.

To date, government has been unsuccessful in providing those kinds of services. I want to illustrate the severe consequences.

Last year in New York City roughly forty percent of the reports of child abuse and neglect were repeat reports—cases in which abuse or neglect in the family had been reported previously. In many of these cases so little assistance was provided to the families when the first abuse was identified that the abuse continues or resurfaces.

A State Department of Social Services audit found that in families in which children are reported as abused or neglected, forty percent of the services identified by caseworkers as being needed by the family are not provided.

For a while New York State's Child Welfare Reform Act provided some hope to workers and families by making services available to prevent children from being placed into foster care. But state regulations have severely restricted the use of these funds so that the vast majority goes for counseling to families—a useful service, but often not the assistance families need to change their material conditions and reduce a major cause of their abusive or neglectful behavior.

A second example of the consequences of insufficient services is the current foster care bed crisis which now captures the attention of the city. The crisis is caused by many factors but a primary one is the lack of services to help families.

Caseworkers who investigate reports of abuse and neglect are unable to secure the services such as homemakers, parent training, day care or job placement that families need to stabilize their situation, prevent a deeper crisis or end their dependence. These services are even less available before the abuse occurs.

As a result the protective service workers have little choice but to remove these children from their homes and place them in foster care. The foster care population as a result has risen dramatically at the same time that the city's efforts to expand the number of beds has been stymied, most recently by a fire bombing of a home in a white neighborhood in Queens in which boarder babies were to be placed.

As the city tries to solve the current bed crisis, a more profound crisis looms. The city, to its credit, has been racing to find foster care beds so that healthy children no longer have to sleep in offices, or in a different bed in a different foster care agency each night, or in hospital wards. But because government has not provided sufficient resources and services to recruit the most appropriate homes in the city, children are being placed in situations that dedicated, but desperate, SSC workers know are unsatisfactory.

For example, seventy percent of siblings placed in foster care are being separated. Living with a brother or sister is often the most important factor to surviving in foster care. Far more than half of all children in care are placed in neighborhoods or cities that are far from their biological parents, reducing the chances of visits and return home. And healthy infants who should be living with a family are being placed in congregate care, again causing long-term damage.

I want to describe the resources and services that families need now and that will be needed in even greater numbers in the immediate future if welfare reform is implemented. I also want to mention several necessary structural changes in the service delivery systems to help families in a timely manner and in a way that can have maximum impact.

The first area is welfare benefits themselves, which have been falling relative to the cost of living. In 1976 income maintenance benefits in New York were thirteen percent above the poverty threshold. In 1986 they were fifteen below the poverty level.

A family with income below the poverty threshold, in essence, does not have sufficient income to meet other needs and purchase a nutritionally adequate diet. In addition, a decreasing share of those in need receive benefits. In 1975, ninety-five percent of individuals below the poverty level received welfare benefits; in 1982, fifty-six percent received benefits.

We also have to change welfare's administrative policies. The federal government monitors only one error rate: how many people are appropriately receiving welfare, less than four percent in New York City. The other error rate is astronomical: eligible families who do not receive welfare benefits. Either their benefits were terminated though they were financially eligible or they were effectively prevented from applying.

HRA released a study last week showing that at least 20,000 children and their mothers are inappropriately terminated from the welfare rolls every month though they continue to be financially eligible for benefits and are reinstated within a month.

More than one quarter of these inappropriate case closings were connected with clients' efforts to find work, or engage in job training. Welfare reform may increase the number of clients who must look for work and increase the administrative tasks they must perform. As a result, there is a great risk that welfare reform may also increase the number of inappropriate case closings.

Specific services that families need to prevent a crisis and end dependency include homemakers, day care, parent training, job training and jobs. Let me describe two services as illustrations.

Homemaker services are a wonderful, rarely used resource. Homemakers are women who cared for their own children and now help overwhelmed mothers raise theirs. They go into a family's home several days a week and teach them how to raise and discipline their children, budget, plan balanced meals as well as help with chores. Generally a mother has to have a major incapacitating medical problem to get a homemaker today.

To its credit, the city significantly increased the number of families receiving a homemaker, but still only about 1,000 families receive a homemaker a year (for an average of three months), though at least 50,000 are eligible for, and need, the service.

If welfare reform were implemented, enabling single mothers with children to work, a homemaker could help teach her to manage the household during the often turbulent transition to work.

The lack of adequate public day care is also a major problem. According to HRA's estimate, there are conservatively 63,000 children eligible for and in need of day care who do not receive it. The vast majority of those families who do have a child in public day care are employed, looking for work or in job training. Few overwhelmed single mothers without jobs are able to find day care slots for their children.

If welfare reform were implemented a dramatic increase in day care would be needed to care for children all day or after school. Without an expansion in day care, government would have to take slots from other high risk groups, as now occurs all too often.

For example, when state regulations were recently changed to allow foster parents to be eligible for public day care, no new slots were created, reducing the day care slots available to other high risk children.

Service delivery systems also need to be restructured. We need to create an early warning system to identify child and family problems before they become overwhelming. As David Gill, a child welfare expert, put it, our current service system brings an ambulance to a family after it has fallen off the cliff.

We need an early warning system that would identify children and family service needs before a crisis occurs. Families seeking public assistance who have other problems should be referred immediately to preventive service programs.

Social workers should also be deployed full time at each day care center to screen and identify problems of younger children. Nurses should visit pregnant mothers, and mothers with infants, to find out how things are, offer a range of services and ensure they have excellent health care.

Second, we need to create a network of family service centers which provide the full range of services that well functioning families need to thrive and also services needed by families in crisis. It is the concept of one-stop shopping for services where eligibility is based on one's neighborhood rather than one's income.

These community-based centers, which have all services a family would need, were recently proposed by the Beattie Commission which the Mayor appointed. The plan was never implemented. Many countries have such systems; this country desperately needs one.

Finally, we now have two publicly funded, separate but unequal day care systems: a public one for poor children financed through the Social Services Block Grant, and a private one for more affluent children subsidized through federal income tax credits to working parents.

The federal tax subsidy nationally to private day care exceeded $2 billion in 1983—more than the $1.6 billion spent on public day care. These day care programs are segregated by income and race; they should be merged.

It will take massive efforts to reduce the abuse and neglect of children, to reduce the dependence caused by poverty and to help children reach toward their full potential. Government puts basic resources to meet the needs of children and their families low on its list of priorities.

The legislative branches of all levels of government have neglected their responsibility to develop policies and programs to serve children. As a result, policy is now being set in the courts and on the front pages of the major newspapers. There are now a dozen major lawsuits against the city for failing to serve children.

Government must dramatically and permanently change its priorities and give the needs of children and their families the attention and resources they deserve.

Welfare reform which provides work at a decent wage, and the services and assistance families need to sustain that work effort, would be an important step in that direction.

Thank you very much.

Mr. **Stein**. Thank you very much, Mr. Tobis.

Senator, do you have any questions?

Senator MOYNIHAN. I do indeed. I just want to say that Mr. Tobis has been among the valued voices in this area. For some years now he has been telling those who would listen that the situation we are reading about and seeing in the United States today was coming. For this he deserves all credit.

But simultaneously I want to say that we have a problem of an order that we can't really expect to respond to except by providing service, overwhelming service. You know, children in single-parent families were once a small group, an unusual group; that is no longer the case. The model child in this country now will live in a single-parent family before he's eighteen and, as Mr. Stein said, in the city half the children will be on what we have until now called AFDC before they are 18.

This sounds like an estimate, but it turns out to be a rather precise calculation; fifty percent.

Nationwide, recent estimates indicate that of all children born in 1985, between a quarter and a third will end up "on welfare." I want to ask you to consider what these figures mean for AFDC. For you, if you want things to work out, you need to graduate from high school, get married, stay married, get a job, and keep it. These compound your opportunity with a multiplier, not an additive effect.

And absent that kind of individual good sense we as a society are not going to be able to make up for the mistakes that follow. We just barely handle the foster children now.

Mr. TOBIS. My concern is that if we focus on keeping kids in school and not the factors that cause them to drop out of school, we will not be successful, and that is the point I am trying to make, to try to look at the underlying conditions.

Senator MOYNIHAN. I have been through the Livingston Income Maintenance Center in Brooklyn and the Waverly Income Maintenance Center in Manhattan. Yet you have been more aware than I—of the city's capacity to provide service. It is so low that the notion of any professionally trained groups addressing a million children—well, sir, it's your city.

Mr. STEIN. I have been quite critical. The problem is so vast. It deals with, as you have been warning us for decades now, the breakup of the family and some other complex problems, and has to do with the national welfare policy.

On the other hand, I have found that the city frankly has not been doing a very good job over the last four or five years delivering the services that they potentially can deliver.

And I think Dick Beattie wrote an excellent report which is really a blueprint on how the city should organize for its fight for children and really has not been implemented. I think that it's been disorganized. I think it is such a major issue now that it almost needs to be approached, Senator, as the fiscal crisis was in New York City twelve years ago where you really enlist the best talent from all sectors and really go after the problem in that way and see that the city spends the money it does have effectively.

And I don't want to go through all the different procedures but I think we will hear some of them today.

I would like to ask Mr. Tobis about the figure. I believe you said 81,000 children were reported abused or neglected. That is a shocking figure, one I had not heard before, and sort of differs with the HRA figure. Where did you get the figure of 81,000 reported abused or neglected last year?

Mr. TOBIS. Eighty-one thousand figure is HRA's figure. The figure that you have, which is the generally understood figure, is 45,000. That refers to reports of abuse and neglect, not children. There are an average of two children per report, and in the 1970s and early 1980s the city was primarily reporting the number of children and that reached about sixty, 70,000. Then there was a change in the way they reported, once the number got that high. They now present the number of cases reported in the fiscal year. That's HRA's figure.

Mr. STEIN. Thank you. We have other questions but we have to move on.

The next speaker is Tony Ward, executive director of Child Care, Inc.

STATEMENT OF ANTONY WARD, EXECUTIVE DIRECTOR, CHILD CARE, INC., NEW YORK, NY

Mr. WARD. City Council President Stein and Senator Moynihan, my name is Antony Ward. I am the executive director of Child Care, Inc., a nonprofit child care resource and referral agency in New York City. I am honored to present testimony before you today on an issue of vital concern to us all—the child care needs of the children of New York City.

You don't need an expert to tell you that the demand for child care for children of working parents has grown dramatically during the past decade. The evidence is all around us—in the increasing number of women in the work force who have children, the growing number of single-parent families, the rise in the number of poor children.

Let me give you a few statistics. In 1985, six in ten women with children under six were in the labor force, and half of all women with children less than a year old were working or looking for work. Experts predict that in less than three years sixty-four percent of all families with children will have mothers in the work force.

Today, most women work because they must. In many two-parent families—one in four across the nation—the woman's income keeps the family above the poverty level. For single-parent families, of course, employment is crucial. Nationally, the median income for single-parent families with children under six is less than $7,000 a year.

For all of these families, child care is not a luxury. It is a necessity. Good child care means that a child will be in a safe, healthy environment. It means developmentally appropriate care that meets the child's needs—social, emotional, cognitive.

Good child care means a stable, consistent arrangement that frees a parent from stress and worry and allows him or her to be productive at work.

In New York City, there are more than 300,000 children under fourteen years of age who need child care while their parents work.

Close to half of these children are under six. There are licensed slots available in full-day programs for a third of these children.

For the estimated 144,000 children in this age group who are eligible for publicly funded child care, the situation is worse. There is space for only one in five children in publicly subsidized full-day child care programs.

As a result, thousands of parents cannot find licensed child care. Because they have to work, they must make do with arrangements that are at best often unreliable and at worst unsafe—like those in the unlicensed family day care home in Brooklyn where two children died in a fire last November.

We at Child Care, Inc. know first-hand about the serious shortage of good, quality, affordable child care in this city.

Every day the counselors in our Child Care Information Services receive calls from parents who need child care for their infants and toddlers, for their preschoolers, and for their children who face the prospect of an empty apartment at the close of the school day.

I'd like to share several of these stories with you. Judy is a college-educated woman who lives in the Bronx. Nine months ago when their first child was born, she and her husband knew that she would have to return to work as soon as possible. They had no family in the city and could not afford the $200 to $300 a week cost of an in-home caregiver.

They wanted good care for their baby girl. We tried to find a licensed infant care center or family day care provider for them, but no slots were available in their community. In eight months, Judy used four different caregivers. Then she gave up her job.

Judy's problem is a common one. The shortage of infant care is extreme. There are 68,000 infants and toddlers under three in this city who need out-of-home care while their parents work. But there are only 5,000 licensed slots all told—in licensed public and private child care programs, in day care centers and family day care homes—for these very young children. These slots can accommodate seven percent of all the children under three who need child care. Families who cannot gain access to one of these slots must take what they can get.

Robin is a young single mother of a three year old boy. She lives in Queens and works as a secretary in a small corporation in midtown Manhattan. With a salary of $18,500, she is eligible for publicly-funded child care through the city's Agency for Child Development.

She wanted to place her child in a full-day program in a day care center because she knew that it would offer good cognitive and social activities in a group setting year-round. And she could afford the weekly fee of $23 a week for her child.

Robin could not find a slot for her son in a full-time program. He was one of the 72,000 preschoolers who are eligible for publicly-funded child care. But there are full-day slots for only 28,000 youngsters. He was not one of them.

Like so many other single mothers who work full time, Robin had to patch together a set of different child care arrangements—a part-day program, a babysitter, and a friend—to provide care for her boy while she worked to support them both.

And, finally, I want to tell you about another young woman who came to our attention last month. Tina dropped out of high school when she had her first child at sixteen. Her second child was born three years later. Like the 67,000 other public assistance households with children under six, she needed welfare to support her family. This spring, Tina learned about the new, state-funded work-not-welfare program. Tina enrolled in the program because she wanted training to get a job to get off welfare.

The program offered to help her find child care for her children. And they did. For her four-year-old. But there was no licensed child care for the baby in her Brooklyn neighborhood. The $7 a day she could get to pay for what the city called informal care—unlicensed care—was not enough to pay a babysitter.

Her neighbors wouldn't provide child care because they were afraid the money would be held against their welfare checks. Although Tina wanted the training and the job it promised, she dropped out of the work-not-welfare program because she couldn't find child care.

These stories all point to the same problem. There is a critical shortage of child care in this city. The consequences are serious, for the well-being of children, for the welfare of their parents, for the economic and social health of the body politic—and for the prospects of a successful welfare reform program.

What can we do to address this problem? We propose two fundamental steps: The first is to expand the supply of licensed child care; the second is to expand access to care for families who need assistance.

Our first proposal is to expand the availability of family day care by funding family day care networks. Family day care, provided for a small group of children in the caregiver's home, is the care of choice for infants and toddlers. But there are only 2,000 licensed family day care homes in the city. Just 120 of them are available to parents who cannot gain access to the publicly-funded child care system.

Family day care networks are associations of providers sponsored by a community-based agency such as a church, a neighborhood improvement association, or a social service agency. These network sponsors recruit, train, and supervise the family day care providers and refer parents to their care. The parents pay for the care with child care subsidies, their own income, or some mix of the two.

It costs approximately $50,000 to operate a network of 30 providers who can serve 60 children under two, and an additional 150 aged two to six. Networks are a cost-effective mechanism for addressing the drastic shortage of infant care.

The Neighborhood Child Care Initiative Project, our own effort to create family day care networks in underserved areas of the city, serves as evidence of the effectiveness of this approach. In the last year alone, the Neighborhood Clinic Child Care Initiatives Networks have created fifty new slots for very young children.

Our project has been generously supported by the Carnegie Corporation and American Express Foundation as well as other foundations and corporations. They believe, and rightly so, that providing child care is a public responsibility and that the public sector should share the cost of providing this service.

We agree that the private sector and the consumers should not be the sole bearers of this burden. Along with other members of the New York City Family Day Care Task Force, we have recommended a $1.15 million package in city tax levy funds for family day care expansion. The funds would support sixteen networks, a public education campaign about licensed family day care, and staff support at a city agency.

As we have seen, there is also a significant need for full-day care for preschoolers in day care centers. One of the primary barriers to the expansion of center care in New York City is the lack of available space for not-for-profits.

The recent difficulties experienced by the ACD in finding sites for Project Giant Step, the city's highly regarded part-day early childhood education program for four-year-olds, is testimony to the seriousness of this situation.

Many ACD programs could not participate in Giant Step because they could not find appropriate space that would meet the city's strict licensing requirements. Others opened late. Even now, as the program year is ending, renovation is still being done in some places.

One of the possible solutions for this problem is to support capital expenditures for nonprofit day care centers that provide publicly-funded child care. These funds could be used for low cost mortgages to purchase space, for revolving loan funds for renovations or improvements, or for rent subsidies.

To make this effective, the public authorities will have to be able to commit funding to programs for more than one year, and include enough money in the reimbursement rate to cover the authorization of capital costs.

Research shows that trained staff, qualified staff are a key factor in good child care programs. New York City is fortunate to have some of the highest personnel standards for early childhood programs in the nation. Here, though, as in so many parts of the country, there is a serious shortage of professionally trained early childhood teachers.

One of the reasons is the notoriously low salaries in day care. On the average, certified child care teachers in New York City earn less than $10 an hour. Working a ten-hour day, twelve months a year, at this rate requires a strong commitment to early childhood education and care.

Yet there are few scholarships and limited financial aid to encourage young people to enter the field. Salary increases and other financial incentives are vital; without them, we will not be able to stem the flood of teachers to other higher paying careers.

Together, these recommendations will provide a partial solution to the shortage of child care. But such remedies will be useless unless we can ensure that children have access to these services.

You know that federal support for child care has not increased significantly during this decade. New York City's share of Title XX funds has risen less than seven percent, despite the fact that forty-four percent of the city's children now live in poverty.

Both the state and the city have allocated funds to offset these losses. Nevertheless, the number of children served in publicly-funded child care programs today remains approximately the same as it was seven years ago.

Clearly, there is a need for more public funding for child care subsidies. We cannot in good conscience tolerate a situation in which fewer than one in five eligible children obtain the child care they need. Public funding is needed for vouchers to expand access for women like Judy and Robin who must work to support their families.

It is needed to increase the child care stipend for informal care to help women like Tina move off welfare and achieve the self-sufficiency they want. And it is needed to help those women who will make the transition from welfare to work to maintain the consistent, stable child care their children deserve.

I will be happy to answer your questions. Thank you.

Senator MOYNIHAN. Thank you for a very precise and sobering report.

Can I make a general observation? I must say that we are pretty much of the view in Washington that you can't reform what is now called welfare. Your statistics are very explicit and in that regard very helpful.

What we call welfare is a widows' pension that was put into the Social Security Act in 1935. At that time all but two of the States, as I am sure you know, had widows' pensions and they were having trouble maintaining them. Aid to Dependent Children was meant to be a "bridge" until such time as the survivor insurance provision in Social Security took over. And indeed, about 3.3 million children are now supported under the Old Age and Survivors Insurance Trust fund. In the same manner an Old Age Assistance grant program was established by President Roosevelt to be a bridge during the first thirty years when people were retiring with full benefits.

The program we have today, which is Title IV of the Social Security Act, assumed that a mother with children would not leave the house for paid work and if widowed in the classic industrial accident would have a pension. That doesn't define the present program at all.

Only two percent of recipients are widows. Moreover, in the intervening fifty years, women have gone overwhelmingly into the workplace. That striking figure of yours is that, 54 percent of women with children of less than six years of age are in the work force, but of mothers in the AFDC program only 4.8 percent are in the work force.

Clearly the grip of history says AFDC mothers will not go to work if they are in this program. Until you redefine the program you can't expect any change. I mean, there is no great problem providing child care for welfare recipients because they aren't working.

If we are to expect that recipients work, if we are to improve on the system, which we propose to do, then instead of starting with grants, you end with grants. You say, where is the absent parent and you find him, as we do not now do in New York City. But Social Security numbers can find anybody.

Then you ask what the mother contributes financially, as mothers do contribute. Finally you think what you have to add. I think you are absolutely right in saying we can't ask persons to work if we don't provide day care. But we do note that 72 percent of all mothers with children aged 6 to 17 are in the labor force and almost sixty percent of women with children under six are in the work force. They manage somehow and they have worked out their child care arrangements.

I would think we can do something with the dependent people as well. I take your numbers very seriously.

Mr. **Stein**. I would add one thing as we move in that direction, Senator. We are talking in New York City about 177,973 children under the age of six in the public assistance program. So even making a small inroad into that means taking into account very large numbers of children who need child care. I recognize the difficulty.

Senator **Moynihan**. The point is, if I can just add to what President Stein says, there is this other striking number: in 24.4 percent of children in two-parent families would be poor if only the father's income was counted. Something else without precedent has happened in this nation. We have gone sixteen years without an increase in median family income. Median family income today is less than it was in 1973. Never in the history of European settlement of North America have we gone sixteen years without an increase in the median family income.

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SUPPLY AND DEMAND FOR FULL-DAY CARE FOR THE CHILDREN OF WORKING PARENTS BY AGE, 1986

Children	Supply[a]	Demand[b]	% Served
TOTAL: 0-13	69,051	306,799	22.5
6-13	25,196	162,431	15.5
≤ 6	43,855	144,368	30.4
3 - 5	38,795	76,636	50.6
0 - 2	5,060	67,732	7.4

(a) Based on CCI calculations of full-day care in both public and private programs for infants and toddlers; full-day care in public and private programs for pre-schoolers; and part-day programs for school-age children.

(b) Based on the New York State Council on Children and Families' 1980 Analysis of Children Potentially in Need of Substitute Out-of Home Care, modified by increases in labor force participation of mothers with children in specific age groups.

Source: CCI Unpublished data on the supply of full-day care; and New York State Council on Children and Families' Analysis of Children Potentially in Need of Substitute Care by Age and Ethnicity, New York City, 1980; and Hayghe, Howard, "Rise in Mothers' Labor Force Activity Including Those with Infants," Monthly Labor Review, U.S. Department of Labor, Bureau of Labor Statistics, February 1986.

ESTIMATES OF CHILDREN ELIGIBLE FOR PUBLIC CHILD CARE SERVICES FOR FINANCIAL AND SOCIAL REASONS, 1986

Children	Publicly Funded Slots(a)	In Need(b)	% Served
TOTAL: 0-12	40,818	352,000	11.5
6-12	10,316	208,000	4.9
< 6	30,502	144,000	21.2
3 - 5	26,080	72,000	36.2
0 - 2	4,422	72,000	6.1

(a) Based on publicly funded full-day slots in ACD programs for infants and toddlers and pre-schoolers, as well as ACD school-age child care programs; does not include Head Start, Project Giant Step, or unallocated voucher slots.

(b) Based on HRA calculations for children who are financially and socially eligible for public child care services, including families at risk; recipients of AFDC who are working, enrolled in an approved vocational or educational program, or looking for work; those who are under 21 who are completing their high school education; ill or incapacitated; and income-eligible families who are working, or looking for work.

PERCENTAGE OF PUBLIC ASSISTANCE (PA) HOUSEHOLDS WITH CHILDREN UNDER 6[1]

December, 1984 and June, 1985

	December '84		June '85	
	#	%	#	%
All Households	NA	—	2,925,000	—
All PA Households	362,572	100.0	368,768	100.0
All PA Households with Children 18 and Under	243,265	67.1	243,733	66.1
All PA Households with Children Under 6	71,763	19.7	66,575	18.1
Number of Children on Public Assistance[1]				
Total Children[2]	494,379	100.0	487,957	100.0
Under 6	191,403	38.7	177,973	36.5

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[1] PA includes ADC, ADC-U, HR, HR Adults, HR Families

[2] Children includes 0-18 and 18 years of age

Source: Dependency, Economic and Social Data for New York City, Office of Policy and Economic Research, HRA, Summer 1985 and June 1985

ACD Public Expenditures for Child Care, 1982 and 1986[a]
(in millions)

	1982	1986	% Change
Total	$ 154.8	$ 201.7	+30.3%
Federal	115.3	122.8	+6.5%
State	-	8.8	100.0%
City	39.5	70.1	+77.4%

(a) does not include $26.6 million in 1982 and $33.9 million in 1986 for Head Start

Sources: HRA *Consolidated Services Plan*, FFY 1982-1984 for Planned Expenditures for FY 1982; and HRA *Consolidated Services Plan*, FY 1986 for Planned Expenditures for 1986.

ACD Total Public Expenditures and Caseloads for Head Start and Day Care Services 1982 and 1986

Expenditures

($'s in millions)

	1982	1986	%Change
Total	$ 181.4	$ 235.6	+ 29.8 %
Day Care	154.8	201.7	+ 30.3
Head Start	26.6	33.9	+ 27.4

Caseloads (a)

Total	77,800	81,900	+ 5.3%
Day Care	69,000	70,300	+ 1.9
Head Start	8,800	11,600	+ 31.8

(a)

includes all children served during the year.

Sources: HRA *Consolidated Services Plan*, FFY 1982-1984 for FY 1982;
HRA *Consolidated Services Plan*, FY 86 for FY 1986

Mr. STEIN. Thank you very much.

Our next witness is Dr. Megan McLaughlin, executive vice president of the Federation of Protestant Welfare Agencies.

Doctor, thank you very much for coming.

STATEMENT OF DR. MEGAN E. McLAUGHLIN, EXECUTIVE VICE PRESIDENT, FEDERATION OF PROTESTANT WELFARE AGENCIES, NEW YORK, NY

Dr. McLAUGHLIN. Thank you, Senator Moynihan and President Stein.

I am from the Federation of Protestant Welfare Agencies and we have 250 member agencies in the federation providing a variety of services to our members.

I am here this morning to add to the bad news that we have already heard. Bluntly stated, the demand for social services in New York City by poor families and children in need far outstrips their availability. But, let me hasten to add, social services alone cannot solve the basic problems that most families face.

That basic problem—the disease we must attack—is poverty. And poverty, simply stated, is the absence of money or access to money to buy the goods and services one needs to survive even on a minimal level. The statistics are all too familiar to you but they bear repeating.

In 1985, 11.4 percent of all American families lived in poverty. During that same year, 28.7 percent of all black families and 25.5 percent of all Hispanic families lived below the poverty line. Our reluctance to help the poor makes it easy for us to ignore the fact that forty percent of those in poverty are children.

In this, the wealthiest nation, an additional 2.7 million children slipped below the poverty line in a seven-year period, 1978–1985. Twenty-five percent of our four and five year old children are poor. For these children, poverty is not an abstraction; its reality is poor nutrition, poor education, inadequate or nonexistent health care, and unsafe homes or none at all. The consequences to children include lack of preparation for self-sufficiency, hopelessness and despair or anger.

As dismal as the national statistics are, they are worse in our fair city, the financial capital of the world.

Poverty is increasing significantly faster in the city, whether measured absolutely or as a relative proportion of the population. Between 1970 and 1980, the number of poor in New York City increased by nearly 20 percent, while the city's overall population declined by 10 percent. During that same period, national poverty grew by 2 percent, while the population increased by nearly 12 percent.

One in every five New Yorkers lives in poverty, while one in every eight Americans is poor.

Nationally, the unemployment rate remains higher among blacks and Hispanics. In 1985, it was 5.5 percent among white adults and 13.1 percent among black adults. Between 1978 and 1981 the unemployment rate of twenty to twenty-four-year olds increased from 6 to 16 percent in New York and the national rate increased from 8.8 to 12.3 percent among the same age cohorts.

New York State has the fifth highest dropout rate in the nation at 34 percent. For New York City various dropout rates have been reported: 36 by the Chancellor, 50 percent by the Superintendent, and up to 80 percent by other groups.

The groups hardest hit by poverty in New York City are people of color—blacks and Hispanics, female-headed households, and children. For the past sixteen years, the largest and most rapidly growing segment of the poor are those living in female-headed households. In 1980, two-thirds of our city's female-based households lived in poverty. Presently, over 800,000 of our children live in poverty.

Every child needs a safe and nurturing environment in which to thrive. But in New York City we have approximately 11,000 children living in inadequate emergency shelters.

These statistics depict a bleak picture for large numbers of families and children. And we know that the reality is even bleaker because the poverty level used is terribly inadequate.

According to the federal government, the current poverty level is $9,120 for a family of three and $10,800 for a family of four. Are these realistic figures for families who live in New York City in 1986? A more realistic assessment of what it takes to live in New York is provided by the Community Council of Greater New York's Annual Price Survey. It estimates that a family of four in New York City requires $35,000 a year to maintain a decent standard of living.

The fact is that a large number of New Yorkers, including a disproportionate number of children, are today living below the poverty line and an even larger number are surviving in deprived conditions.

The relevant question is what can be done about this dismal situation by the national, state and city governments and by nonprofit agencies and the business community. Unfortunately, there is no simple answer to this question, because the issues are complex and numerous.

The minimum wage, employment, housing, health care, nutrition, education, crime, the welfare system, social services and more need to be addressed. There is no time to discuss all of these today. Let me simply note:

Poverty is a disease that can be cured. It requires commitment. It requires additional resources. We cannot do more with less.

No solution, regardless of how well it is crafted, can solve poverty or any of its symptoms in a short period of time. We spent more time fighting the war in Vietnam than we spent fighting the War on Poverty at home.

No one approach will solve poverty because it has many faces and many causes.

No approach will be effective if it focuses solely on the individual. Some of our key institutions must be changed and strategies must be devised to improve neighborhoods. Most of the city's poor black and Hispanic families are clustered in specific neighborhoods.

From the federal government we need massive assistance. This is an unpopular but realistic statement. For years, Senator Moynihan has eloquently and convincingly argued that New York State does not receive an adequate share of the federal expenditures.

The federal government must increase its investment in its cities, including New York, particularly in its human capital. No North American nation invests a smaller share in housing, health care and social services than the United States. We in New York City feel this lack of investment most painfully.

For the past seven years the federal government has been engaged in the unique economic experiment of cutting taxes and freezing or reducing social services expenditures, while escalating the military budget. I urge you, Senator Moynihan, and the members of this subcommittee to end this process and to urge that a fraction of the money now spent on military "doodads" now be devoted to the needs of the poor.

City and state elected officials must be brave enough and committed enough to act on behalf of the poor. We can no longer allow responsibility for the poor to be a political volleyball; a spirit of cooperation is essential.

The state and the city must create complementary revenue and expenditure goals and priorities. We must investigate all avenues for revenues, examine the present tax structure, and monitor new tax reforms to guarantee that they are fair to the poor.

Our city and state officials seem to be joining the tax cutting bandwagon. We urge you, Mr. Stein, to speak up and say—provide services to the poor before returning taxes. New York City dealt with its fiscal crisis, in part, by reducing services to the poor. Now there is a surplus. We should at least restore the services.

The agencies who manage social service programs are in dire need of assistance. The current crisis in social services is worsened by the fact that social service workers are paid inequitable, low salaries. Essentially, we tax social service workers for working with the poor and needy.

The salaries of child welfare workers, to cite one example, are incredibly low, average well below that of other city employees. Social workers in voluntary agency foster care programs were paid only $14,800 last year.

City employees receive the following starting salaries: sanitation worker—$23,000; police officer—$28,000; and a schoolteacher—$20,000. Our City Council members earn $47,000. Who are these social service workers? Many are women who head households.

Salary is not an esoteric issue. It has an impact on quality of services. Low salaries result in high turnover rates, recruitment problems, increased training costs and low morale. Instead of a system designed to provide a stable environment to encourage the best people to work with our needy children and families, we have one that forces turnover.

One of our member agencies had one hundred percent turnover within a twelve-month period in its preventive program. And it had a sixty-five percent turnover in its foster care program. The consequence is that the agency could not operate at full capacity. This was at a time when the city was desperately in need of additional services for children and families in crisis.

Another of the federation's agencies that provides services for over 2,000 children has an annual turnover rate of thirty-three percent. In some months, three employees must be replaced each week. This is intolerable and due mainly to the low salaries and poor benefits the agency is able to offer.

City Council President Andrew Stein has effectively brought to our attention in recent months the problems facing New York's poor, particularly our poor children, and those who are paid to provide essential services to our children. We urge you to continue this effort.

Blacks and Hispanics are concentrated in the social service sector and therefore this discussion is also relevant to welfare reform efforts. Studies done by Walter Stafford (phonetic) of the Community Services Society (sic) shows that in 1982 sixty percent of all blacks work in twenty of the city's 212 industries.

Industries in which blacks were concentrated were mainly health care, social service, banks, insurance and telephone communication. Blacks and Hispanics are virtually excluded from 130 out of 193 industries in the city. Those 130 industries accounted for about 60 percent of the private sector workplace and were among the leaders in job growth.

Black and Hispanic professionals are also tightly segmented in few industries. Black females in New York were generally concentrated in nursing, social work and elementary school teaching. Even if we accept the prediction that there will be jobs in the year 2000, the question of segmentation remains a critical issue for all of us.

What are the requirements for entry? About fifty percent of those on welfare are functioning at the sixth grade level or below, and observers suggest that the banking industry, one of the areas where blacks are concentrating, is redefining entry requirements. Instead of high school they are now looking for associate degrees as an entry level requirement.

It seems that for welfare reform to work for the women who are eligible to work it is imperative that we invest in basic school preparation, and upon various industries in the public and private sectors. Day care, health care and support services must be provided. We must also be willing to subsidize these families to ensure a basic level of income. And over the long run upgrading of skills is a must if these women are to keep pace with an economy that is constantly changing.

Finally, the business community must be recruited to join this effort. Poverty is everybody's business. Today's children become tomorrow's work force.

I could not end without bringing to your attention the increase in racial incidents in New York City. The racial problem was not solved in the sixties. We urge you to exert leadership in this crucial area.

I want to thank the subcommittee for offering me the opportunity to speak to you this morning. I would be happy to answer any questions that you may have.

Senator MOYNIHAN. Thank you, Dr. McLaughlin. I would just like to confirm that point of yours about the direction of events. The poverty threshold for 1986, as we estimated for a family of four, is $11,200 and, as you observed, the median income of social service workers is about $14,800. They are just slightly above the poverty level and they aren't going to get much higher.

That turnover rate suggests who is available for this work. These employees are just barely better off than the persons they are serving, and things have not been getting better. It's all very well for us to talk about how much we've got to do.

It's instructive to learn about what we did in the 1970s. In this country we cut the average benefit for children under the Social Security Act, Title IV, or AFDC, by a third. All the noise changes nothing. We cut it by one-third and that's what happened.

One of the consequences is that for a black family the median income in 1970 was $17,730 and in 1985 was $17,109 in real terms. Over fifteen years the median income for black families declined.

Can I just ask one question? I would like to ask the Chairman as well as you, Doctor, what does it mean—that for New York City various dropout rates have been reported, thirty-six percent by the Chancellor, sixty percent by the Superintendent, and up to eighty percent by other groups. Can it be that New York can't find out who does or does not graduate from high school?

Dr. McLaughlin. Not only can it be, it is. We don't know. There are various estimates.

Mr. Stein. Senator, this amazes me. Everybody has a different way of accounting. You get different agencies, different monitor groups, different agencies within the city, and they will all have a different number as to the dropout rate. It is quite amazing but disturbing, but really true, that you have different numbers coming from different agencies, different advocacy groups. No one really knows what the dropout rate is except that we know it is terrible. We don't know exactly what it is and you raise a very good point.

Doctor, one thing that has been so disturbing, I note the turnover rate of a hundred percent in some of our agencies. I was up to Albany a month or so ago to lobby because the majority of work done is in voluntary agencies, and yet a $14,500 starting salary is disturbing.

Besides the salary, which is the most important thing, and I think the starting salary for a city social worker is about $21,000, and so we are in Albany lobbying to bring the voluntary work up to what the city worker gets as a starting salary. But what else seems to me the SEC office and various offices that deal with this problem throughout the city, the conditions are terrible, workers working in very depressing conditions.

When I was at the SEC office in Brooklyn one day, and maybe this was an aberration, but one day I was there and there were 350 people working in the building, no running water, toilets didn't work, elevators didn't work in a six-story building and so forth. It was just generally depressing.

As part of what I am talking about, saying that the problems of children are among the most important, you have to have a sense to tell these people, these workers who go out in the middle of the night, Senator, and have to decide whether to take a child away from a mother, whether in fact the mother is a drug addict, abusing the child, to make that very important decision, that worker should be treated with respect. When you start on a salary of $14,000 you are not treating that person with respect.

So, is there anything else we can do besides increase the salary of voluntary workers to what the city workers get?

Dr. McLaughlin. Your statement suggests one recommendation, which is to improve working conditions, and of course there is the intolerable paperwork which I believe workers are buried under. We are concerned about accountability but most people agree that has gone too far in this field because workers spend too much time worrying about paper and too little time taking care of an already too high caseload.

I think most people in the field would agree that it is important to suggest that if one specific concrete thing could be done to make it a little easier for workers, improve working conditions, increase benefits, upgrade salaries and, provide staff training, are all things that people in any field need in order to feel that their work is respected and valid. Social workers are no different.

Mr. Stein. Thank you, Doctor, thank you very much.

Senator Moynihan. Thank you.

The next witness will be Osborn Elliott, a member of the board of directors of the Citizens Committee for New York City, Incorporated.

STATEMENT OF OSBORN ELLIOTT, MEMBER OF BOARD OF DIRECTORS, CITIZENS COMMITTEE FOR NEW YORK CITY, INC., NEW YORK, NY

Mr. Elliott. I appreciate this opportunity to come before you and express one citizen's outrage and deep concern over what is happening to our city. New York is divided by a chasm of class and race—one part for the rich and mostly white, the other for the poor and mostly non-white.

In the midst of an economic boom, two out of five children live in poverty. That's 700,000 kids.

The two fastest growing groups in New York are at opposite ends of the eocnomic spectrum—on the one hand, those families with annual incomes of $120,000 or more; on the other families living in poverty.

These dismal facts describe New York's division—and suggest what is going on in the rest of our urban society.

My anger is directed against those public officials, particularly in the Reagan Administration—and beginning with the President himself—who insist that the "truly needy" will somehow be caught by a social safety net—even as these self-same officials are diligently unraveling the strands of that net.

My concern is that if our vast social problems are not urgently and immediately addressed by every sector of our society, "the fire next time" will make the social unrest of the 1960s look like a Sunday school picnic.

For its part, the Citizens Committee is determined to do all it can to bring the two cities of New York together.

I am delighted to join in this hearing on some of the most important social issues of our times. I am here as a board member and representative of the Citizens Committee for New York City and as chairman of its new initiative Project One City.

This ambitious program aims to mobilize the neighborhoods of all five boroughs of our city to fight poverty at the grassroots level. The Citizens Committee was founded by Senator Jacob Javits in

1975, and I was its chairman for its first five years. For the past five years Marietta Tree has been our chairman.

The Citizens Committee's constituency consists of the thousands of block and neighborhood associations that make life more liveable throughout New York. It is our belief that the enormous energy of these volunteer citizen groups can be harnessed to alleviate the problems of poverty. Among other community projects that already exist on a small scale, and which we plan to expand citywide, are the following:

Job fairs that put young people in touch with employers.

Mentoring programs to help young people make healthy choices and stick with them.

A program to discourage teenage pregnancy by a system of peer group advising at the community level.

Day care networks—organized by and for local communities.

Beyond these basics, we have a number of more ambitious programs, ranging from small grants to encourage community development to other initiatives aimed at breaking down racial and other barriers.

Project One City is now raising funds from foundations, corporations, and individuals to launch these various undertakings. We have hired a program director, Mr. Kenneth Walker, who is with me today and he is already hard at work making contacts with the network of community groups that form our constituency.

I would remind you, Messieurs Chairmen, that there are more than 10,000 block associations in New York City—a very powerful agglomeration of concerned citizens.

Essentially, what we are trying to do is to capture the dedication of these local New Yorkers and to apply people power against our great and growing social problems—not merely dollars.

Senator MOYNIHAN. Sir, that was an extraordinary, eloquent and forceful statement. I think we should note, Mr. Stein and I, that you have done what you have been advocating. You have taken a year's leave from Columbia University to work on Project One. We welcome you to this hearing.

One thing, if I could say—You have forty percent of your children in poverty at any one moment. That's a disruptive, disorganizing experience.

Is it the normal experience in the city? And, you are right, if we are separated by a pattern of class and race and it is widening in this situation, I would estimate that it is probably the single most difficult new problem. In other words, there's always a problem in this country connecting your youth with jobs and networks and unions and such like neighborhood help, but many just have no connection at all. And when you drop out, when you are in a situation where there is no network and so forth, you really have problems.

Could you tell us a little bit about the job fair? That sounds like something real.

Mr. ELLIOTT. You put your finger on the problem of so many people out there, Senator. Lots of people have been referring in recent months to a so-called underclass. I prefer to refer to them myself as the disconnected. And what you have out there is literally hundreds of thousands of people, many of them young, we are talking about now, who are disconnected from any system of values that we consider worthy.

They are without jobs and in many cases they are without families, without housing, without education, and, for that matter, without any real sense of what a job is. It is a terrible, terrible situation.

Our effort is aimed at bringing these people into contact with our society through a whole variety of different programs within Project One City, jobs being one of them, job fairs being just one component in that overall scheme. Job fairs already exist here and there around New York City. They are very simply taking place on a neighborhood level.

They canvass the neighborhood for what young people are available for jobs, what skills they have to bring them, they canvass employers locally and within a radius of several blocks, let us say, or a number of blocks, and once or twice a year will bring together employers with prospective employees. Perhaps it's a block association fair or block party of one sort or another, very simple but often quite effective.

Senator MOYNIHAN. I'd like to hear about the next one. Maybe we can get a look at it.

Mr. ELLIOTT. Good, let's do that.

Mr. STEIN. Thank you very much, Mr. Elliott. I appreciate it.

Mr. ELLIOTT. I would like to leave our whole report on Project One City with the staff, if I may.

Senator MOYNIHAN. We will make it part of the record. Thank you.

Mr. STEIN. The next witness is Monsignor John Fagan, Lenore Berlingieri and Baronda McBroom. Monsignor Fagan is executive director of the Little Flower Children's Services and Ms. Berlingieri is an adoption social worker, and Baronda McBroom is Ms. Berlingieri's client.

I want to thank you all very much for coming. I am sorry about that fire you had, the fire at Little Flower on Friday, and anything we can do to help we would be glad to do. The experience I had visiting Little Flower was quite moving to me, and also your record of taking kids and placing them in foster care I found very impressive.

STATEMENT OF LENORE BERLINGIERI, ADOPTION SOCIAL WORKER, LITTLE FLOWER CHILDREN'S SERVICES OF NEW YORK, WADING RIVER, NY

Monsignor FAGAN. Thank you, Senator.

Maybe I should ask Lenore to speak to hers first and then I'd like to discuss what we are doing for the baby crisis, boarder babies.

Ms. BERLINGIERI. My name is Lenore Berlingieri. I am an adoption social worker. I have been employed with Little Flower Children's Services for over two years.

Today I want to tell you the story of a woman whose five children the city placed in foster care with our agency. I want to talk about her efforts to get her life back together to get out of the welfare system and have her children returned to her.

Her name is Baronda McBroom. As you will see, her biggest stumbling block has been the indifference and blundering of city agencies—the very agencies that are supposed to help people like Ms. McBroom.

Ms. McBroom is my client. I have been deeply moved by her amazing struggle to rehabilitate herself after her children were taken from her at a time when personal problems had overwhelmed her. Ms. McBroom has conquered these personal problems.

But for a year and a half, she has been unable to reunite her family because she was not able to find housing. During this time she has lived with the constant fear that her parental rights will be terminated because of her inability to find housing.

Early in 1986 Ms. McBroom applied for housing with the New York City Housing Authority. The authority accepted two applications from her—one for Section 8 housing and the other for Project housing. Month after month went by, and Ms. McBroom received no word from them.

During this time, a Manhattan family court judge ordered the authority to give Ms. McBroom preferential status because of her need to reunite her family. The Housing Authority promised the court that it would assist Ms. McBroom.

Nearly a year later—on January 5, 1987—Ms. McBroom and I finally obtained an appointment with the Housing Authority. We waited several hours for our interview, and when finally interviewed we were told that the only way we were going to get any housing through the Housing Authority was if we knew someone there.

Furthermore, Ms. McBroom's file folder was lacking documentation of her initial application. It was as if she had never applied for housing months before, or made any effort at all. This was extremely discouraging, especially since it had seemed that some hope was in sight at last.

The next day I wrote to the City Council President's Ombudsman Unit, asking for help for Ms. McBroom and her family. They worked with SSC to obtain an apartment from HPD. After making innumerable visits and telephone calls to her Public Assistance Center and to HPD, Ms. McBroom finally secured a lease on a city-owned apartment in Manhattan. The lease was signed on March 19, 1987. It was now just a matter of a few days before Ms. McBroom and her children could be together as a family again—or so we thought.

In order for Ms. McBroom to move into the apartment, she needed help from Public Assistance to pay for the rent and furniture, and it was urgent that they process certain paperwork as expeditiously as possible.

Unfortunately, the worker and his supervisors at Social Services apparently couldn't care less. They were extremely uninterested and unmotivated and were generally negligent in helping her. They were perfectly aware that Ms. McBroom needed to have her children living with her before she returned to court to regain full custody of them. Without housing, her parental rights were in jeopardy. But this just did not matter to the workers at Social Services.

Meanwhile, it turned out that the apartment HPD had found for Ms. McBroom was in complete disrepair. Con Ed actually refused to turn on the gas and electricity, stating that the apartment was in dire need of electrical work—which would take weeks. In short, HPD had rented her an apartment that could not be occupied for some time.

This did not prevent HPD from charging her rent—which she scraped together from her welfare grant and some small loans from friends—as of April 1st, when the apartment was still unoccupied.

Unbelievably, I later discovered that this city-owned apartment had been renovated over a year ago, and was standing empty all that time. This city is supposed to be in a desperate housing crisis.

The story of Ms. McBroom is typical of the lack of coordination between our city agencies. The very agencies that are supposed to help families stay together too often are instrumental in tearing them apart. The mental anguish this has caused is incalculable.

Why is it that individuals who are being paid adequate salaries and are in a position of responsibility cannot do their jobs properly without an "attitude" and without degrading "their" clients?

What disturbs me the most is that five children are still languishing in foster care, unnecessarily, and the beds they occupy could be used by other needy children.

It is truly inspiring to see how Ms. McBroom continues her pursuit despite the many, many obstacles. Not often, as a social worker, do you see a motivated natural parent survive and overcome her problems, only to meet with constant discouragement from the system—yet keep fighting.

All too often, people not as strong as Ms. McBroom are destroyed by this experience.

Ms. McBroom has been lucky in that she has had some assistance in her struggle. But what about the many desperate people in this city who do not have anyone to advocate for them—people who must fight the system daily and who are deliberately discouraged from obtaining housing? What becomes of them—and, even more frightening, what becomes of their children?

STATEMENT OF MONSIGNOR JOHN T. FAGAN, EXECUTIVE DIRECTOR, LITTLE FLOWER CHILDREN'S SERVICES OF NEW YORK, BROOKLYN, NY

Monsignor **FAGAN**. My testimony is a little bit more upbeat, I guess, Mr. Stein. This is the kind of project that I wanted to share with you. This is on the boarder babies.

I am Monsignor John T. Fagan, the executive director of Little Flower Children's Service, for the past twenty-eight years.

Little Flower Children's Services is one of the largest providers of services for children who have been abused and neglected in the City of New York.

Last July, Special Services for Children of the New York City Department of Social Services asked Little Flower to open a shelter nursery for infants. There was a crisis!

Large numbers of "well babies" were without families and were boarded in hospital nurseries.

We opened a nursery for eleven infants in Brooklyn and prepared the staff. I had my first experience with infants in a congregate care facility—all of them seeking affection, all of them seeking attention. How sad! They needed their own mamas and their own cribs.

I met with Mrs. Mary Ryder, our associate executive director, and other staff. We created our "Little Guys Project." We would appeal to concerned people in the metropolitan area to come forward, agree to undergo the process of licensing as foster parents and serve as emergency foster homes in this crisis.

We would ask this special cadre of foster families to take the next "well boarder baby" who waited in a hospital crib without regard to sex, religion, race or ethnic group. They would rescue these infants from the hospitals, care for them for a temporary time from three to six months until permanent homes could be found for them.

The permanent plan for these babies would be: return to their families or find new families by adoption, and find long-term foster families until one of the other goals is found.

We placed our "homemade" advertisement in The New York Daily News on Wednesday, November 19, 1986. We received a thousand inquiries by the following weekend. Our orientation classes began immediately at three locations. We reduced the normal three-month licensing period for foster families to four weeks for the special "Little Guys Project".

The first "Little Guy" was placed just before Christmas. As I present this testimony, we placed our ninety-fourth baby with these loving emergency foster parents. Together, we have made a difference. These infants no longer cry in hospital nurseries. Our faith that we could find New Yorkers from every race, religion and socioeconomic background to help these children was affirmed.

Yet now, we have a problem.

Some of the rescuers of the babies from the hospitals want the babies they have rescued to be with them always. This is indeed a problem.

We are accused by a well known newspaper columnist, Ms. Ilene Barth of Newsday, of conducting a "despicable boarder baby shuffle" when we place these infants with pre-adoptive families or long-term foster homes in their own race, religion and ethnicity. Yet the guidelines for the Department of Social Services of New York State is that we should place the child with parents of the same race, religion and ethnicity. There are solid and practical reasons for this.

Also the process for a permanent placement for these infants is much more involved than the placement of a few months, more consultation with family members, more reflection. And a transracial adoption or long-term foster care would involve even more understanding and preparation.

Finding love for children is the primary goal of Little Flower. What is life without love for a child!

We have been successful in placing children with loving parents of their own racial, religious and ethnic traditions. We shall continue to search. If we are not able because of a crisis in numbers to find such loving families, we would place children with adoptive parents of a different race, religion or ethnicity—simply because enduring love is the most important need of a child.

The "Little Guys Project" continues to serve the infants because of the dear, caring, rescuing families.

In my opinion, these emergency foster parents can solve the problem of the "well boarder babies" in the hospitals of New York City or any community.

Permanency and life planning for these children remain a challenge for Little Flower and for all of us as a society.

We wished to respond to the pressing needs of the babies in congregate care. It is said infants are not able to talk, but they were very effective in communicating to me the message that they need loving mothers, an ongoing person to hold them, to hug them, to feed them.

Since I am an old guy, I remember efforts made by the American industry in the days of World War II. Ships were built in record time.

I felt the need for that kind of action in this crisis. With the help of our staff we were able to reduce the time it takes to license a foster parent normally three months to four or five weeks. I am happy to say that several of the methods and innovations that we introduced in the home-finding process have now been accepted by the State Department of Social Services of New York and Special Services for Children in their recent "Guidelines to Expedite the Homestudy process for Infants."

I have attached to this testimony the "Guidelines for the Process of Approval and Licensing of Foster Parents for the "Little Guys Project."

We also tried to make more personal our relationship with the applicants. Halfway through the homestudy, I would send them a letter emphasizing the needs of the infants who waited in the hospitals and thanked them for their concern. I sent written reports to all who were interested on a periodic basis, keeping them informed of our efforts and results.

I have attached copies of this correspondence to this testimony.

We also developed special guidelines for the service delivery to the infants when they were placed in the emergency foster homes. We placed more emphasis on health services since the health of the babies were so fragile. We limited the cases of the social workers to between fifteen and seventeen.

Since we only focused on infants and infant care, we were able to place emphasis on the special needs which the babies have. The foster parents had to agree to be willing to bring the babies in for visits with their natural families at least twice a month because our first goals or outcome was return of that infant to its family. I have attached written guidelines for the undercare services in the "Little Guys Project" to this testimony.

The challenge of Phase II of the "Little Guys Project."

I am convinced that the principles of recruitment and licensing emergency foster homes to provide care for infants in this crisis have been successful. I believe that we do not have to return to the days of infant nurseries and congregate care for infants, which has clearly been shown to be detrimental to the growth and development of these children.

I believe we can appeal to citizens of the city and of other communities to rescue infants from congregate care. Phase I of our "Little Guys Project" is completed and proved in my mind to be an effective and therapeutic response to the needs of the "boarder babies."

The challenge of Phase II faces us. What will happen to these infants a year, five years, ten years from now? Where will they be? Our first hoped-for goal or outcome would be return to family. I can think of several babies in our "Little Guys Project" who returned to their mother, or their grandmother or their aunt, after being with one of our emergency foster families for five weeks, six weeks and eight weeks. I remember how healthy and thriving the infants were as they returned to the arms of their family and how thin and frail they were at the time of placement.

The second outcome for the infants is adoption or a new family. Where there is a matching of race, ethnicity and religion, we will attempt to place the infants for adoption with our emergency foster home parents. We are facing the question of trans-racial adoption. Some of our "Little Guys" emergency foster parents wish to adopt these children when there is not a matching of race, ethnicity and religion.

We attempt to follow the guidelines of the New York State Department of Social Services concerning trans-racial adoptions. The black community in New York City is the single largest provider of foster homes and adoptive homes for New York City children. If we are unable to recruit more and more black families for these infants, perhaps we need to look at black communities in other parts of the United States. I am in contact with an agency in Texas who will be able to place some Hispanic infants for adoption.

We need a new way of searching for adoptive parents. We also need clearly spelled out guidelines leading to trans-racial adoptions. What diligent efforts should an agency like Little Flower take to search for adoptive parents of the same race, ethnicity and religion before deciding to place that child with a family of another race, ethnicity and religion?

Certainly, the infants needs families. They cannot be returned to nurseries, congregate care or orphanages. The third outcome for these infants would be long-term foster care until return to family can be accomplished or a new adoptive family can be found.

I feel the child welfare system here in New York and nationally must look at these issues. I feel that we cannot rely on Little Flower's efforts alone, but need the consultation and reflections of the public departments and commissioners and the professionals in child welfare of the black and other minority communities.

I remain convinced that the steps Little Flower took to assist the babies last November were not only the right steps but the most effective ones and in the best interest of the infants.

The crisis continues. Communities look for solutions in congregate care facilities but that is not the answer. The answer is family. The challenge of permanency and long-term care for these infants in the most formative years of their lives remains with us.

Mr. **Stein**. Thank you.

Senator **Moynihan**. That is marvelous, that is the first cheerful thing we heard this morning.

Monsignor, what you are talking about is a choice we are going to have to make pretty soon now which is, are we going to go back to the orphanage?

Monsignor FAGAN. We can't.

Senator MOYNIHAN. We mustn't go back to the orphanage.

Monsignor FAGAN. We have a lot of energy and motivation. We have 150 applicants who have gone through—there is a process, they must be licensed and they must go through interviews. We have to check their Albany status as far as the child abuse, child abuse register. This is part of the process they have to agree to be part of. We have a very precious human being, they are available, so we have to make the people who are able, not just come to the office and say I'll take a baby—it's nothing like that, it's a very serious business.

Senator MOYNIHAN. If we are going to do this we have to deal with the process of adoption which was devised in the professional school—and you are a member of the National Association of Social Workers—and early in this century. We have a wholly different problem of numbers here, and what might have been appropriate processing details for another age no longer work and is not going to get the job done today.

Monsignor FAGAN. Senator, we have to really involve the leadership of the black community, and before we do this, and that's very important, I feel yes, we just haven't come to grips, we are getting more requests for trans-racial adoptions—some of our Little Guys' parents wanted to keep them forever. When I place them back with a sibling or long-term care I am criticized publicly for practicing apartheid.

But this Little Guys Project is a temporary project—we invite them, we're able to place them in four weeks, because it's a crisis. But, I am open to any solutions. But I think it has to be done reflectively because we don't want to rush and solve a problem today and maybe end up with children in a crisis office when they are seventeen, eighteen years of age.

Senator MOYNIHAN. We thank you, Father.

Mr. STEIN. Can I just ask one question.

First of all, I would like to congratulate you, Ms. Berlingieri, and Ms.——

Senator MOYNIHAN. Let me interrupt. What was this business about your not going to get an apartment out of this department unless you knew somebody?

Ms. BERLINGIERI. That is correct, Senator.

Mr. STEIN. Well, in this case, Senator, your Ombudsmen's Office was called. We had been working on it but I think it's indicative. His case, Ms. McBroom has said that she has had problems before and she overcame those problems, wanted her children back, and the social worker, the judge, both agreed this was the correct thing to do because she is motivated, she has overcome her problems, an example of what should happen.

And then I think Lenore can tell you, her social worker, that this system did everything it could to prevent her from succeeding, and just a series of bureaucratic indifference, mess-ups, and really tragedies.

You know, my office intervened and I made several calls myself and even with this help we still haven't been able to get the bureaucracy to function as it should. I hesitate to think without our intervention they would be nowhere.

It just illustrates the tremendous problem even when someone is well motivated as to what people have to go through.

Ms. BERLINGIERI. Horrifying. We had an interview, an appointment, and after waiting several hours we were interviewed. When it came down to, and this was told to us by an interviewer there, the only way we were going to get an apartment from the Housing Authority was if we knew somebody, despite my client's numerous efforts and applications to the Housing Authority.

Senator MOYNIHAN. I wouldn't take that.

Ms. BERLINGIERI. I didn't. I wrote a letter and I was enraged.

Senator MOYNIHAN. The Housing Authority is there for people who don't know anybody in the Housing Authority. If they knew people they wouldn't be there.

Monsignor FAGAN. They wouldn't need housing.

Senator MOYNIHAN. It is not applying for a judgeship.

Ms. BERLINGIERI. The point of my testimony is that I just feel that this happens often to a lot of people in the city.

Senator MOYNIHAN. There are federal funds involved. I would like you to send a copy of that letter to me. There are things we will not put up with even in Washington today.

Monsignor FAGAN. The Housing Authority has some problems in this city and also maybe they are understaffed or whatever.

Mr. STEIN. Monsignor—very quickly, we are running a little bit behind—you have done a lot with imagination. I mean, this is what I have seen done with imagination, with not that much resources. You basically worked up an ad, you got very good volunteers, you have motivated people. It's a situation where you have done a lot; you have helped a lot of babies.

With all the resources the city has why can't they do more, in your opinion? And be honest.

Monsignor FAGAN. I think many of the other agencies are looking for long term versus short term in rescuing the children from the hospitals, and we rescued the children, we have rescued the children from the burning building. Now we have to see, where is that child going to live.

Many of the other agencies are concerned about long-term adoptions, which takes much longer, to recruit long-term adoptive parents and whatever. The city then, which is pressed by the numbers, maybe they will try the group residences, an LBH.

We have now six infants in a home, and at least there is a place for the babies. The city is concerned about placing the babies—they are staying in the offices or the SSC, but I feel maybe with your help we can make that project a little bit better because I think we can resolve the hospital crisis with this program.

I made a decision not to stop last week, although we are close to our one hundredth baby, but I need more help from the broad community. But, the people of New York are willing to take the children for six months, all kinds of people, and I am hoping that some of those people will decide to adopt these children.

Many of the people who step forward are black, Hispanic people, as well as white, and so we have a good cross section of the city. I am hoping that some of the people will adopt who didn't think of adoption before. But we felt we had to do something to meet the crisis.

Mr. STEIN. We will work with you, and thank you all very, very much.

Our next witness is Irwin Levin, supervisor of the Special Services for Children.

Irwin, thank you. Could you please read your statement.

STATEMENT OF IRWIN LEVIN, SUPERVISOR, SPECIAL SERVICES FOR CHILDREN

Mr. LEVIN. Thank you, Senator Moynihan and Council President Stein, for this opportunity to share my views on services to children in New York City. I will limit my comments to certain aspects of Child Protection Services, as carried out by SSC.

With respect to my background, I'm a trained social worker and a graduate of the New York University School of Social Work. For the past eight years I have worked at SSC.

In February 1979 I was assigned to the Brooklyn field office as a senior supervisor to administer a protective unit with 100 staff people and a total caseload of over 2,000. In the course of doing my job, I discovered gross neglect, incompetence, mismanagement, and ineffective or nonexistent supervision that resulted in ten children dying and many other families afflicted with needless pain and suffering. I was shocked and outraged because every one of these children could have been saved if only the staff had acted a little more responsibly.

After trying for more than a year to get my supervisors to address these problems, I decided to go public. I gave confidential SSC records of bungled cases to community leaders, including the Governor and City Council President. I knew that this was a violation but I felt it was necessary.

I then became the object of investigation, harassment and persecution by this city administration. Two years later I left the Brooklyn field office, scared, disillusioned and facing serious disciplinary charges for divulging those confidential records.

Not only did the city administration make no effort to look into these deaths, they made a consistent effort to cover them up. Finally, after four years, the Inspector General's Office (HRA) in April 1984 released its report, substantiating all my charges.

The important question for us to address today is this: Have the conditions at SSC that allowed these children to die changed today? Are today's protective workers and supervisors more skilled and better trained? Is SSC's response system more capable of protecting children at risk? I'm afraid I would have to answer all these questions with a definite no.

But why is this system still a shambles? I'm afraid I have one possible explanation for this. Three years ago, I met with a mayoral assistant who was sympathetic to my concerns. He told me that the unfortunate fact was that if I only discovered a few white children dying, there might be some significant changes made.

HRA Commissioner Grinker recently released a report on child deaths in 1986 and stated that SSC "made significant errors in twenty-five percent of forty-two deaths." Based on my own experience, I believe that if an impartial evaluation were done of "high risk" cases, the SSC would be found guilty of gross neglect in over fifty percent of the cases.

During the course of 1987, SSC will probably handle over 50,000 cases of abuse and neglect this year. The number of inadequately served families will be staggering. Commissioner Grinker said he too was outraged by this report; however, I found that he had no meaningful recommendations to help curtail the bungling of cases at SSC. I wondered why not.

On Wednesday, April 8th of this year, this city was shocked by a terrible tragedy in the South Bronx. A building exploded, burying many people beneath tons of brick. The finest emergency resources of this city's fire, police, medical and ambulance services were rushed to East 141st Street and Third Avenue, to help save those trapped and injured people.

All those sent to help were highly skilled and trained at their craft. They were ordered by their supervisors to respond swiftly because "lives were at stake." The Mayor and every other citizen would have been outraged if these "emergency" services waited one hour to send an unskilled or an untrained worker to that collapsed building.

SSC should be regarded in much the same way as any other essential emergency service. However, when any child in this city is reported being seriously abused or neglected to the emergency services at SSC, blunders and even tragedies often occur.

I will share one such incident with you. One November morning, a neighbor reported four young children being neglected and beaten. The caseworker visited the family the next day. The mother claimed a gang of teenagers had wrecked her apartment and sexually molested her four year old son and beat her other children. The children verified this story. She claimed one son was kidnaped.

The worker never called his supervisor to discuss his findings and the children remained at home. The son was later found with bruises and sent to a hospital. A month later, the caseworker visited the mother again, reported that she was unable to protect her children and recommended follow-up visits and counseling.

The caseworker made another visit two weeks later. He reported that the mother was coping better, and since she wasn't requesting any services he recommended the case be closed. This was done.

A month later, the mother brought her fifteen month old daughter to a hospital. The hospital reported the child D.O.A. The child's liver was lacerated and there was internal bleeding. An autopsy revealed old fractures and the child was undernourished and dehydrated. It was determined that a man living with the mother was guilty of kicking and beating the child.

SSC staff allowed the surviving children to remain at home for another nine months. The older son witnessed his sister's death and testified at the man's trial. Investigators from the Inspector General's office (HRA) stated, "It is bizarre and shocking how SSC with all this evidence could have allowed these children to remain at home with this mother."

SSC in 1979, in 1984, and today is a system that treats children as if they are unimportant and valueless objects. The agency is now employing young and inexperienced college graduates as protective caseworkers. After a rushed training program that everyone passes, and three months in a special unit, these young workers are then given a regular assignment.

These new workers are now responsible for between twenty-five and fifty cases, with enormous paperwork—over eighty forms per case. They are often left to make crucial life and death decisions all on their own. These workers often face violence and danger with little supervision and administrative support. In spite of these terrible working conditions, there are many caring and dedicated workers who do a fine job, help families, and save children's lives.

On many occasions, "high risk" cases elicit no more than a telephone call from the caseworker, and days will pass before face-to-face contact is made with the children and their abusers. Some caseworkers will often, on their own initiative, remove children without reasonable cause and without previous discussion with their supervisor, while others will allow high risk children to remain at home without supervisory approval.

Such irresponsible practices must be stopped if we are to prevent more children's deaths from neglect and abuse.

I want to emphasize that Child Protective Services is one of the city's crucial agencies. It deals with the death, physical abuse, and neglect of suffering children. Because it is family members who inflict this suffering, intervention is complex and extremely difficult. It is imperative that the protective staff should be the most skilled and highly trained, as our other emergency services—fire, police and ambulance—are.

To repeat: Protective Services is an essential emergency service. For it really to save lives, important changes are required.

1. Immediate response to high risk cases. When SSC receives such a case, a face-to-face visit with the children and perpetrator should be required within one to three hours.

2. Caseworkers on high risk cases should be required to confer with their supervisors while in the field after completing face-to-face contacts with the children and perpetrators. The decision to remove or allow a child to remain at home should be a supervisory decision, not a worker's. In addition, a face-to-face supervisory conference should take place within seventy-two hours.

3. The structure of the protective units should be changed. Teams should be formed. Each team should have a mix of staff, including case investigators, social workers, community aides and a social work supervisor, who would act as team leader. Cases would be assigned to teams, and no longer to individual caseworkers. These teams should be given the resources to provide clients with day care, homemaking, welfare counseling, et cetera.

4. The new requirements for a child protective worker or supervisor should be a master's degree in social work, plus passing specialized training in child protection.

5. There is still a need for more and better monitoring of SSC by some impartial body. Such a body should:

a) Read all the SSC case records involving the deaths of children, and not just the summaries prepared by SSC;

b) Interview the caseworker and supervisor on all cases reviewed;

c) Produce quarterly reports to be released to the public;

d) In addition to deaths, review all cases where children are critically injured.

Senator MOYNIHAN. You are a credit to the profession.

Mr. STEIN. Thank you very much.

I noticed the things that you have done over the years have not been easy, caused you a lot of personal anguish, but I think you did well, you held up. I want to congratulate you.

Mr. LEVIN. Thank you very much.

Mr. STEIN. The next witness is Dr. Michael A. Carrera and a client. Dr. Carrera is project director of the teen pregnancy prevention programs for the Children's Aid Society.

Thank you very much for coming today.

STATEMENT OF DR. MICHAEL CARRERA, PROJECT DIRECTOR OF TEEN PREGNANCY PREVENTION PROGRAMS, CHILDREN'S AID SOCIETY, NEW YORK, NY, ACCOMPANIED BY WILLIAM JONES

Dr. CARRERA. Each year more than one million American teenagers become pregnant—the overwhelming majority unintentionally. Forty-four percent of these pregnancies result in births. Half of these births are to young women who have dropped out of school, and have not yet reached their eighteenth birthdays.

More than half (fifty percent) are to young women who are not married. Teen males are rarely involved in the support and nurturance of the child they fathered. Teen marriages, when they occur, are characterized by a huge degree of instability.

For teenage parents and their children, prospects for a healthy and independent life are significantly reduced. Young mothers are at an enormous risk of pregnancy complications and poor birth outcomes, and their infants face greater health and developmental risks.

Teenage parents are more likely than those who delay childbearing to experience chronic unemployment, inadequate income, and reduced educational experiences. They and their children are very likely to become dependent on public assistance and to remain dependent for a long period of time. The emotional toll of these young people is staggering as is society's economic burden in sustaining these families.

In the face of this profound social problem, and with the knowledge that we must help our next generation of adults get off to a stable and healthy start, some individuals, agencies and institutions accepted the challenge willingly and with enthusiasm and resolve.

However, it has become extremely clear that many of us promised too much, too quickly, we spoke too optimistically, and while we have been able to deliver some winning grant proposals, we have not yet begun to win the real war facing us. In a way, our well intentioned initiatives have been drowning in the debris yielded by our mistakes.

However, we are learning. We have learned that the beginning of wisdom in realistically dealing with this national health concern is the recognition of the stark reality that the teen pregnancy and childbearing situation which we have been facing for some time now has been long in developing, and has been, and continues to be, conditioned by many complex, educational, economic, family, racial and other social factors.

In the face of this we must accept that there are no quick fix solutions, no single intervention programs, no slick button phrases which, by themselves, will reduce the haunting, unacceptable statistics and their impact in human terms on the lives of so many young people.

In this regard, I've repeatedly suggested to school family life and sex education teachers and administrators that they need to understand the limits as well as the potentials of that important educational enterprise. By themselves, programs of family life and sex education in the schools or in agencies will not reduce unintended pregnancies among teens.

However, these programs do have an intrinsic worth based on what they can offer young people in the cognitive and affective learning domains, and there educational desirability should be based on those merits and not because it is seen as a panacea for this problem.

Frankly, I believe that unintended pregnancies among adolescent would be affected more by doing away with the institutional racism that is systemic in our society. Likewise, quality education for all, and more widespread employment opportunities for young people and adults would probably affect the lives of teens in a more meaningful way than even the most effectively implemented school or agency sexuality program.

I believe another reality we must face is that in addition to trying to educate young people in ways that will affect their capacity to avoid unintended pregnancy, and will produce within them the ability to make responsible sexual decisions, we must at the same time offer life options and life change possibilities that will yield a desire in the adolescent not to become pregnant at this time in their development.

I believe we need to provide young people with better pathways. Adults need to show them the way, young people need and want our guidance.

What we have not yet been able to do properly is motivate some teens that pregnancy and parenthood is undesirable at that time in their lives. We do know that such a desire is more likely to exist if young people have a realistic life agenda, if they have a hopeful sense of their future, and if they see that foregoing early pregnancy and childbirths will enhance their chance to be successful.

In general, teens who see themselves in this way usually have a positive sense and value of themselves, have appropriate coping skills, are not passive, and have ongoing opportunities to communicate with a concerned adult about their sexuality.

However, many teen males and females do not see a future for themselves, they see little employment opportunity around them, and therefore they face lifelong poor economic status; coupled with growing family fragmentation and inadequate opportunity for meaningful education, the spectre of hopelessness about the possibility for success in life becomes vivid and daunting.

Under such conditions it is no wonder that some young people, instead of becoming industrious and hopeful, become sexually intimate and fatalistic.

In my own State of New York it is refreshing to see that Governor Cuomo's new adolescent pregnancy prevention initiative recognizes the complexities of the issue. He and other state leaders see reducing the rates of teen pregnancy and childbirths through programmatic intervention that reflects an integrated, holistic approach, and properly suggests adolescence as not the best time to deal with adolescent sexuality, pregnancy and childbirths, but rather those formative and developmental stages prior to the second decade of life.

However, I'd like to emphasize here that as we begin to move in this new direction we must be certain that our comprehensive programs are not simply attempts to contain the numbers of teen pregnancies, for political, social and economic reasons, but that they genuinely seek to remedy the root causes which tend to produce problemic behavior and feelings of hopelessness in young people.

I believe quality of life is the issue which must be more fully addressed in our teen pregnancy prevention and service programs if we are to make headway toward a solution of this national health concern.

And while we rework our preventive and educational programs we must at the same time increase the level of support to those young people and families who continue to need services. This requires a local as well as a national commitment to an overall restructuring of public policy priorities—not simply the expenditure of funds reflecting political judgments about to what group it is expedient to support at a given time. As fashionable as it seems these days, political rhetoric is no substitute for problem solving.

Philosophy and Organizing Principles:

Our programmatic philosophy is based on the belief that in order to create a climate where positive change and direction can occur for young people, it is necessary to influence multiple facets in their life over a continuing period of time. A systems approach of this kind represents a very complex intervention.

It is our belief, however, that such a comprehensive, quality of life approach can effect the changes we seek among young people, even among those who have lived within family systems suffering from generations of economic deprivation. Therefore, our program components which operate concurrently land sometimes simultaneously are centered on working with, and affecting a young person within his or her family system and community.

Our employment program, academic assessment and homework help program, college admission component, medical program, individual lifetime sports program, and family life and sex education program, taken together, have not been duplicated anywhere in the country. This program is funded by the Governor's Adolescent Pregnancy Prevention and Services Program, private funds, and the Children's Aid Society.

Our programmatic vision is grounded in several organizing principles:

We believe that young people are capable of more than simply avoiding problems and situations which will complicate their lives; we believe they are capable of doing good for themselves, and their family, and for their community. Staff attitude and behavior sustains that notion and helps young people realize their potentials for such achievement. The entire program is bathed in this belief.

Parents, grandparents, foster parents and other adult care givers are significant influences on the sexual development of young people. Their roles must be respected and must be included in meaningful ways in holistic quality of life programs.

It is the philosophy of the Children's Aid Society and the program that young people should delay having intercourse for as long as possible. Intercourse, we believe, is the kind of special intimacy that best fits a relationship later in life. We are mindful, however, that intercourse, for some teens, is a way of coping with their feelings of fatalism, confusion or unhappiness.

So we are prepared to replace that coping mechanism with options and possibilities and experiences which are meaningful and which will make sense and be useful to them at this time in their development.

We are aware, too, that young people do not always listen to the guidance of adults and may begin to have intercourse even in their preteen and early teen years. In these cases our role is to care and understand them and try to help the young behave in a way that will prevent pregnancy.

We will not turn our backs or withhold affection as a form of our disapproval; rather, we will be there in an ongoing way, providing the guidance and on-site contraceptive services necessary so that unintended pregnancy does not occur.

Paradoxically, we have discovered during the first twenty-six months of our work that this type of honest, supportive limits-setting approach is appreciated by the young people and helps them clarify their thinking and acting much more than the threats and fear-arousing communication that so frequently characterizes the way adults communicate to young people.

Our primary pregnancy prevention effort is addressed equally to both males and females. Our attitude is that boys belong in this process and must be reached, educated, and positively influenced about their role and responsibility in relationships.

Just teaching young women to say "no" is to continue a sexist double standard. Teaching young men "not to ask" balances the approach and is an important learning for males.

Program Design: The following is an overview of our primary prevention programmatic dimensions:

1. Job Club and Career Awareness Program.

Through this weekly two-hour program conducted by our employment specialists, young people explore the types of career possibilities available to them and learn in concrete terms about the world of work.

To date, each youngster in this program has secured a Social Security card, has accurately completed working papers, and has learned how to complete employment applications in an intelligent fashion. They have taken part in several role-play job interviews and were required to be appropriately dressed for each one.

Each of the teens who participated in this program secured a part-time or full-time summer position. The twelve- and thirteen-year-olds, too young for working papers and too young to obtain a typical part-time job, participated in the Entrepreneurial Apprenticeship Program. Through this program, these youngsters, as well as other older teens who chose to be involved, worked during various community functions: basketball games, dances, and other community activities. They sold hotdogs, soda, juice and snacks at these events.

The teens earned a minimum hourly wage and at the end of a specific period participated in a modest profit-sharing program based on the degree to which they fulfilled their job responsibilities.

All the young people at our Central Harlem site at the Dunlevy Milbank Center who have participated in the employment program opened bank accounts at the Carver Federal Savings Bank at 125th Street in Harlem. Our young people are learning that banks, like college, are part of their future. They are learning about interest and how to save and spend in a controlled, systematic way.

Thrift, self-sufficiency and planning are major issues emphasized in this unique program component. Employment staff monitor the bank accounts on a biweekly basis.

2. Academic Assessment and Homework Help Program.

Each teen has a thorough academic assessment conducted by a team of specialists. Scores are obtained in math, reading, writing and basic, age-appropriate life concepts. Following that thorough testing, a prescription is developed for each teen, summarizing his or her strengths and deficits. The prescription serves as the basis for ongoing individual and small group tutorials.

Staff educational experts and a group of volunteers from the Junior League use the academic prescriptions to provide one-on-one and/or small group educational support to the teens. These volunteers provide this service several days a week at the Dunlevy Milbank Center at regularly scheduled times.

Separate from the tutorial program is a homework help program which is available two afternoons a week. Educators are available to assist young people with any academic or school-related problems they may encounter.

3. College Admission Program.

In this early fall of 1986 Donna Shalala, the president of Hunter College, convened a meeting of all teens and their parents in our program and presented to them a certificate guaranteeing their place as a fully matriculated freshman in Hunter College following completion of the teen pregnancy prevention program and graduation from high school.

This is the only program of its sort in the United States that has received a commitment, by a college president of a major university system, guaranteeing an acceptance in an accredited college upon completion of high school, our program, and the recommendation of the teen pregnancy project director.

This commitment will serve as a concrete incentive to the young people interested in furthering their education. We have made real the notion that college is in their future.

The majority of the families of the youngsters in the teen pregnancy program are on various forms of public assistance. The major costs at Hunter College, therefore, will be paid through the numerous aid plans ordinarily available to young people who qualify for financial aid.

In addition, however, the Children's Aid Society developed a special fund to support any of these youngsters who have financial needs that go beyond those provided for by federal and state aid plans. Some financial support for education is already available for young people who participate in other CAS programs.

Finally, academic support services will be provided as needed through the SEEK program as well as through a variety of other academic help programs available to students at Hunter College.

4. Medical and Health Services are available four hours each week and are provided by the center nurse and adolescent medicine specialists from Montefiore Hospital in the Bronx and Mount Sinai Hospital in Manhattan. Every teen has a complete annual physical and every female has a yearly GYN examination. Each year the physical examination is preceded by a thorough social and family health inventory. This is a valuable part of each teen's health history and is administered by the center nurse.

When necessary, the physicians provide confidential contraception counseling and prescription. In these cases, each of the youngsters using contraceptives has a weekly meeting with a counselor who follows each female and male to be certain that they are using their contraceptives regularly and properly. During these sessions school, family, peer and employment issues are also explored.

The young people in the program are urged to view the physicians as "their doctor." They can see them and the nurse without an appointment and discuss any health or related areas with them. This service, and all other program services, will continue for five years.

5. Self-Esteem Enhancement Through the Performing Arts.

This ongoing self-expression program is taught by professional actors and actresses from the National Black Theatre. In weekly workshops, two hours per session, parents and teens discuss issues ranging from conflict resolution in school and at home, to presenting oneself for a job interview. The medium enables the youngsters and adults to experiment with various scenarios and conclusions and see themselves and their peers from a new perspective.

It's a chance for reflection and feedback, and an opportunity to receive recognition and applause. Music, dance, role play and dramatization are some of the methods employed in this program. The sessions become a forum for discussing gender role, family role, affection and intimacy.

6. Lifetime Individual Sports.

In this unusual program component, the young people learn skills in the lifetime sports squash, tennis, golf and swimming. From a skills development standpoint, these activities are all "unforgiving sports" which require a precise mastery and the exercise of self-discipline and self-control.

We believe learning the skills and discipline necessary to achieve fun and success in these sports, and learning how to play under control, is transferable to other aspects of their everyday lives and facilitates learning to live under control.

Further, it is our belief that the more opportunities young people have to consistently practice skills that require self-discipline, the greater the likelihood they will be able to exercise the self-discipline necessary to delay early sexual activity.

And, if they decide to have intercourse we feel these types of experiences contribute to the development of the discipline and control necessary to use contraceptives so unintended pregnancy is avoided.

7. Family Life and Sex Education Program.

This is a formal fifteen-week, two hours per week educational experience for teens and for parents. The program centers on an understanding of sexuality from a holistic viewpoint. While there is discussion of sexual anatomy, reproduction and contraception, there is more emphasis on exploring issues such as gender role, family role, body image, and patterns of affection, love and intimacy.

Roles, responsibilities, and values in relationships are emphasized. Increasingly the sexual literacy of both the young people and their parents is our goal. There are readings, films, role playing, and lectures. Both of the specialists who lead this program are certified by the American Association of Sex Educators, Counselors and Therapists. Dr. Michael Carrera, project director of the CAS pregnancy prevention program, is the past president of the national accrediting organization.

Mr. JONES. I want to say thank you for giving me the opportunity to appear. I am a single parent of nine children and out of nine children six of them are girls. When I first heard of Dr. Carrera's program I was very much leery of the program. In my area where I live, as we have had plenty of programs come and go, being the majority of them that stayed there were closed door programs that would deal with teens or even parents, but never parents and teens together.

Since Dr. Carrera has been there in our program, he's educated the kids, the teens, the parents. And a thousand and one questions that my kids had waiting for me, and I knew they were waiting for me, I would try to figure out a way how I would avoid these questions, especially questions that were coming from my girls, and when they do come to me with these questions I would tell them to go to next door, girlfriend, something like that.

Now Dr. Carrera and staff has armed me with answers that I can provide for my kids, not only for my kids but with other kids in the community and wherever else. When I first came in I was nervous—I figured it was a program where they was going to teach about sex and that was the end of it, but it wasn't just that. They taught much more and give the kids much more.

He helped me send one of my kids to college out of nine kids—something I know I would never be able to do. Now I am working with a bunch of other kids and two kids I am fighting to try to send to college.

The program is a positive program and we need more of them. I thank you.

Mr. **Stein**. Well, thank you, Mr. Jones. I am glad you met up with Dr. Carrera. The city budget is coming and I would invite you to come up to my office and let's talk and see if we can provide some help for you.

Dr. **Carrera**. I appreciate that.

Senator **Moynihan**. I would like to thank both gentlemen and say to the President of the City Council that the Children's Aid Society is something to be kept in mind as we deal with what we think are intractable problems. Children's Aid began to help children in 1853, at a time, when an extraordinary number of children in this city were abandoned, living in alleys, living in cellars, under cellar steps, not because of particular conditions of this time but because of smallpox and cholera and things like that. The problems brought forth a response and the Children's Aid Society changed the conditions of children in New York City.

All of our housing codes are derived from that era. It is an honored and long tradition you stand in. Now we face even more difficult questions, but clearly we ought to take some heart in the fact that what seemed intractable, what—Charles Brace called the dangerous class—was responded to. Kids roaming around in packs were brought into the society in time. It was done, and has to be done again. Thank you.

Mr. **Stein**. Thank you.

Our next witness is Mr. Douglas H. Lasdon, director of the Legal Action Center for the Homeless.

STATEMENT OF DR. DOUGLAS H. LASDON, DIRECTOR, LEGAL ACTION CENTER FOR THE HOMELESS, NEW YORK, NY

Dr. **Lasdon**. My name is Douglas Lasdon and I am director of the Legal Action Center for the Homeless (the "Center"). I established the Center in 1984 with a grant from a private foundation. The Center is currently supported exclusively by private sources. I am also a member of the adjunct faculty at New York University where I teach a course in the metropolitan studies program called Law and Urban Problems.

I welcome this opportunity to offer recommendations to improve the public welfare system based on my experience with poor children and public assistance recipients. I will address two specific problems: Youths inadequately prepared for discharge from foster care and the maladministration of public assistance in New York City.

This is an urgent time to reform the public welfare system and we must first face up to the shocking housing shortage in New York City. There are now 25,000 men, women, and children living in shelters for the homeless in New York City, and more than 100,000 people living precariously doubled and tripled up. Countless others wander the streets with no shelter at all. At the same time, the federal government had slashed $20 billion from the annual housing budget.

No social problem develops in a vacuum. The lack of decent housing in New York City is a contributing factor to almost all of our social life. Children of homeless families are more likely to be placed in foster care, miss school, and be neglected and abused.

Perhaps most profound, though, these children grow up in a world without opportunity and hope; a world of emptiness and despair; a world that leads to crime, prostitution, teen pregnancy, high school dropout and substance abuse. Clearly, if we are to resolve any problem since the child welfare system, we must begin by providing decent housing.

Let me now describe my experience at the Legal Action Center for the homeless. At the Center we engage in three basic services: Direct representation of the homeless people, class action lawsuits, and research. The Center operates legal clinics directly in soup kitchens throughout New York City.

Our method of representation is based on the theory that certain people would not receive legal assistance if we did not bring the service to them. They either don't know they have rights or don't know how to vindicate them. To the best of my knowledge, we are the only legal service organization—other than a student clinic recently started at Yale Law School—that reaches out to clients in this manner.

At the Center's legal clinics we see people at the end of the line: people who have, at best, been bypassed by social service systems, or who have, at worst, been victimized by them. We see the results of failed delivery systems

We also bring class actions. One of the class action lawsuits the Center has brought—along with the Coalition for the Homeless—is *Palmer* v. *Cuomo.* This case challenged New York City and New York State's inadequate preparation and discharge of thousand of youths from the foster care system.

It was the first case nationwide on behalf of this population. Plaintiffs won a preliminary injunction holding defendant's pre- and post-discharge services unlawful. Subsequently, the parties engaged in settlement negotiations and established a program of predischarge training and post-discharge supervision that will soon be promulgated as regulations under the New York State Department of Social Services (a final settlement has not been signed yet).

Finally, we also engage in research. For example, the Center, along with New York University, recently released a report describing the life circumstances of soup kitchen users in New York City. The report takes a hard look at the experience these people have with the public assistance system.

The report documents that almost twenty-five percent of those participating in the study—hungry men and women whose only meal often was the one they received at the soup kitchen—were terminated from public assistance in the past year, forty-four percent were eligible for public assistance and not receiving it, and thirty-three percent of those who had never received public assistance had unsuccessfully applied for it.

The report also found that forty-two percent of those participating in the study eat one meal or less per day and thirty-three percent slept on the streets or in some other public place on the previous night. A copy of the report is annexed to my testimony.

Foster Care Discharge:

Every year some 2,000 youths over the age of eighteen are discharged from foster care to their own responsibility. These youths are poorly prepared for living on their own; for the most part, they have little education, few job skills, poor life skills, no income and no housing.

The foster care system has become another stream adding to the homeless of New York City. A 1980 blue ribboned Mayor's task force had this to say about the poor treatment of this population:

About 1,200 young persons were discharged to their own responsibility in the year ending September 30, 1979. Where did they go? What did they do? We know very little about what happened to them. A handful (sixteen) were known to enter adult job training programs. Fifteen went on public assistance. They military enrolled forty-nine.

But by far the largest number—1,124—were simply released to their own responsibility. Whether they were employed, living stable lives, drifting in the streets, or in trouble with the law are questions for which the foster care system presently provides no information or answers.

In 1984 a report on the implementation of the Mayor's task force report found: "There has been very little progress in any of these areas since 1979."

Our lawsuit *Palmer v. Cuomo,* when the settlement is finalized, will be an important first step in resolving the problem of inadequate foster care discharge. The proposed regulations will provide for pre-discharge training, a transitional housing program and a post-discharge supervision program. These regulations, however, are only a first step. Without a financial commitment by the city, state and federal governments the program will not work.

The federal government must remove the restrictions for reimbursement to states and cities for foster care programs for eighteen to twenty-year-olds. Currently, federal reimbursement is only available for children in foster care only until they are eighteen years old—nineteen if they are still in school.

Youth who leave foster care at eighteen are abruptly cut off from their families and social service systems; they are left completely alone. Without assistance those youths get caught in a downward spiral that often ruins their lives. Federal reimbursement must be available for programs designed to ease their transition from foster care to independent living.

New York City must also provide a separate shelter system for youths under the age of twenty-one. Right now, all single people over the age of eighteen (and some under eighteen) are sheltered in the same Dickensian warehouses. Segregating the youths from the older homeless will not increase expense. It merely involves rearranging beds within the current system.

The municipal shelters are inappropriate places for impressionable youths trying to establish independence and positive self-images. Also, youths under twenty-one simply won't stay in municipal shelters—they will sooner sleep in subways, parks, abandoned buildings and the streets themselves.

On one day in January of this year, HRA reported that only 204 youths under the age of twenty-one stayed in the municipal shelter system, two percent of the 10,000 adults in our system. In our report, *Below the Safety Net,* eleven out of fifteen youths under the age of twenty-one had slept in the streets the previous night. None had stayed in a public shelter. Without a separate facility we leave these kids to the cold of the streets.

Welfare: Finally, I would like to focus on the administration of public assistance in New York City. My comments are addressed to the way which program implementation undercuts policy that has already been voted on by the legislature.

It is clear that the administration of public assistance in New York City has broken down. Every month over 30,000 men, women and children have their public assistance cases abruptly terminated for administrative reasons unrelated to financial need. The assistance that is cut off is often the lifeline to basic food and shelter.

To highlight the problem I shall relate an example. It is a story that is all too common. It is about an elderly man, but could just as easily be about a woman and child.

Robert T. had been receiving Home Relief and living in a rooming house in Manhattan. At the time, he worked in a municipal hospital as a condition of receiving public assistance. He had worked steadily for eight months when he developed a foot infection which made it difficult to walk. He asked his supervisor if he could be excused from work until his foot healed, and presented a doctor's letter confirming the malady. The supervisor agreed to let him stop work temporarily.

Two weeks later HRA terminated Mr. T's Home Relief payment. He received no notice or explanation and did not know his rights or where to turn for help. No longer able to pay his rent, he lost his room. In the spring of 1986 he was homeless, eating in soup kitchens.

He spent four months sleeping in the city's transportation terminals and parks until he met a staff member of the Legal Action Center at a legal clinic operating out of one of the soup kitchens.

Mr. T., represented at an administrative hearing by the Legal Action Center for the Homeless, challenged the termination of his benefits. The administrative judge upheld his claim that his benefits were unlawfully terminated because he had a legitimate reason for missing work and had not received notice from HRA that it intended to discontinue his benefits.

Mr. T. was awarded retroactive payments to the date his case was closed. He moved back into the rooming house.

To fix the public assistance system we must remove the government's financial incentive for unlawfully terminating people's assistance and replace it with an incentive to follow the law. The most effective way to accomplish this would be to amend the federal sanction system to include sanctions for errors to eligible people as well as for errors to ineligible people.

Under the current federal sanction system funds are withheld from a state if the state's error rate exceeds a minimum limit. The error rate measures only errors in "payments to people who are ineligible for payments and overpayments to eligible people."

The error rate does not measure errors of nonpayment or underpayments to eligible people. Thus, there is no incentive to reduce errors to eligible people.

The federal sanction system as it now operates is food for the cynical. It tells us that the government does not care if public assistance to eligible poor people is wrongly terminated or denied. We must change this.

We must make a better effort to ensure that people receive assistance that is often the difference between food and hunger, and housing and the streets.

Now I want to add one brief comment to my written testimony, Senator Moynihan, because there is a bill currently in the Senate that needs your help and there's a bill that will exclude emergency shelter payments from the food stamps calculations.

Currently the emergency payments are——

Senator **Moynihan**. May I say that is my bill, S. 36, introduced on the first day of the 100th Congress.

Mr. **Lasdon**. I was told this morning that it was yours.

Senator **Moynihan**. Thank you.

May I say, Mr. Chairman, Mr. Lasdon has raised some very proper questions; whether we should extend foster care to the age of twenty-one is a real issue. I got legislation through two years ago for an independent living experience and I have had to hold up the confirmation of the Assistant Secretary of Health and Human Services until they finally release the money, but they are going to.

To just turn people out on the streets at age eighteen and say you're on your own—it would not happen to your children or mine. I have a good friend who recently said that the policy of his house is that by age forty you're out of the house and on your own.

For example, to tell an eighteen year old girl to go find a job, find an apartment, find friends, find a circle of acquaintances, is a terrible thing to do.

May I also note that my bill to prevent emergency housing payments from being counted in food stamp benefit calculations is likely to be considered as part of the emergency Homeless Assistance Act now moving through both houses of Congress.

Mr. **Lasdon**. Which is much appreciated. I am well aware of it.

Senator **Moynihan**. Thank you.

Mr. **Stein**. Thank you, Mr. Lasdon, we appreciate it very much.

Senator **Moynihan**. Would you let us have that study of fifteen young people?

Mr. **Lasdon**. Yes, I have extra copies.

Senator **Moynihan**. Let us have it for the record.

Mr. **Lasdon**. I will.

Senator **Moynihan**. Thank you.

Mr. **Stein**. The next witness is William Grinker of the Human Resources Administration, and I believe Deputy Commissioner Brooke Trent and Deputy Commissioner Ann Flowers from the Agency for Child Development.

Commissioner, thank you very much for coming, we do appreciate your coming, and Ms. Trent's and Flowers' coming.

Mr. **Grinker**. This is Ms. Flowers and Ms. Brooke Trent from our office, and Ms. Flowers is in charge of the Agency for Child Development and Ms. Trent is in charge of the Special Services for Children.

I appreciate the opportunity, Senator Moynihan and Mr. Stein, to talk with you today about the programs of HRA to deal with the problem of welfare and families. I would preface my remarks by saying I don't think New York City's problems are unique, although because of the magnitude of your city often they are perceived that way.

STATEMENT OF WILLIAM J. GRINKER, ADMINISTRATOR/COMMISSIONER, NEW YORK CITY HUMAN RESOURCES ADMINISTRATION, NEW YORK, NY, ACCOMPANIED BY BROOKE TRENT, DEPUTY COMMISSIONER, AGENCY FOR CHILD DEVELOPMENT; DOBY FLOWERS, DEPUTY COMMISSIONER, AGENCY FOR CHILD DEVELOPMENT

Mr. **Grinker**. Good afternoon. I am William Grinker, Administrator/Commissioner of New York City's Human Resources Administration (HRA), the agency responsible for providing income support and social services to the city's needy families and their children. I wish to thank you, Senator Moynihan, as well as our City Council President, Mr. Steid, for this opportunity to present HRA's views on what must be done to help families in poverty and crisis.

As you may know, I testified just a few days ago before the House Select Committee on Children, Youth and Families to discuss some of these same issues. Essentially, I would like to share with you a message similar to one which I carried to Washington.

First, I believe it is important for us all to realize that while New York's problems may be perceived as being different than the experience of other cities because of sheer scale, they are really just symptomatic of what is happening in urban areas throughout the country.

The current, much publicized difficulties our child welfare programs are encountering cannot be attributed simply to increases in abuse and neglect; the swelling of the foster care caseload, organizational inertia; or, even, as many of the advocates whom you have invited here today would have it, poor planning or bureaucratic bungling.

Today's crisis in the child welfare arena is, I believe, tied in large measure to our failure as a society to deal effectively with the larger issue of poverty—the lack of jobs and of an effective education system, insufficient funds for necessities such as food and clothing, and lack of decent affordable housing.

All of these factors place strains on family relationships that create a climate of despair, frustration and anger, factors that too often push families to the breaking point.

It is also tied, I think, to changing social mores concerning the role of the family, women in the workplace, and the broad scale failure to effectively counter the drug culture.

Second, while it is entirely understandable that today's forum includes primarily advocates from the child welfare community, I wish you had invited more speakers from a broader range of social welfare agencies, as well as educators, business and religious leaders, and representatives of those trying to stem the flow of drugs and those trying to treat its results. I say this because I believe our various missions and responsibilities are intertwined and our ability to attain our goals dependent on the successes of each other's efforts.

For example, the input of those who have primary responsibility in the drug area would have been especially relevant to today's hearing, for it is the growing epidemic of drug abuse that is largely responsible for the dramatic increase in the number of children who are flooding our offices each day and night. Between 1985 and 1986, the number of reports of abuse and neglect involving drug abusing parents went up fifty-one percent.

Before I begin to describe our family-oriented and child welfare programs, I think it important to put my remarks in the context of another HRA program. Perhaps the most important—public assistance. The Aid to Dependent Children (ADC) program is now the main source of income for 241,000 New York City families including 514,000 children. As such, it has a powerful hold over how these families function: where they live, what they eat and wear.

I believe that the welfare system as it exists today, and as it may exist in the future, including questions of appropriate benefit levels, work and child support requirements, and support services, is a crucial ingredient to any rational discussion of a comprehensive strategy to move families from a state of continued and multigenerational despair and dependence to one of hope and independence. For this reason, I welcome the current national focus on welfare reform. If handled correctly, reform can recast the welfare system from a system that promotes a continuation of poverty to one that promotes self-sufficiency.

I know, Senator Moynihan, that this is a goal that we have both shared for many years, and I hope to have the opportunity at another time to testify on it in greater detail.

Although New York City and HRA—along with the rest of the nation—have, over the past year, only begun to focus on this round of the welfare reform debate, our efforts to analyze the way we deliver services, to determine whether we could reduce fragmentation and do our job in a more coordinated way, is an ongoing one.

Its most recent iteration came in 1984 when the Mayor appointed the Task Force on Human Services, to examine how HRA should organize itself to improve service delivery. The task force gave us the broad outlines of a system that should help us to better serve families in need before a serious problem occurs, as well as improving our ability to respond to families who do find themselves in crisis.

One very important concept to come out of the work of the Task Force was that of the multi-service center. This was certainly not a new concept. I, myself, had a hand in opening up the first multi-service center in New York twenty years ago and careful students of the idea will recognize the same concepts embodied in the ideas of the settlement house movement of almost a century ago.

Nevertheless, the Beattie Commission, as the Mayor's Task Force came to be known, did remind us that the key to effective service delivery is an understanding of the various needs of the client population so that a program can be fashioned that effectively meets those needs. Taking these abstract notions and turning them into an operating program is the most difficult phase upon which we have embarked.

In October, we opened our first such center in the Tremont section of the Bronx, and we plan to open three others—one each in upper Manhattan; Jamaica, Queens; and central Brooklyn—during the coming summer. Each of these centers will offer one-stop shopping for a variety of services, including public assistance.

But, each of them is likely to deliver services in somewhat different ways depending on the needs and existing resources of the community to be served. Each of these centers will allow us to test different configurations of services, different levels of community participation and responsibility, and different targeting and outreach strategies.

My hope is that our experience with these centers will give us insight into what service mix will help us to achieve the long-term goal I mentioned earlier: providing the support that will enable families to move from dependence to independence.

While developing more experience with our multi-service center effort, we will continue to rely on our forty-four Office of Family Services (OFS) sites to assist families who either need help in applying for benefits or a referral to day care or some other community-based program.

In addition to its information and referral responsibilities, OFS also administers the family homemaking program, which provides homemaking services in cases where a child is at risk of foster care placement due to the temporary absence or disability of the child's parents. The goal of these services is to stabilize a family by teaching a parent how to manage a household.

Another vulnerable population that OFS serves is pregnant and parenting teenagers. Teenage girls are less likely than older women to seek prenatal care, resulting, in many cases, in low birth weight and long-term health problems in the infant.

Young mothers, without adequate support, are also likely to drop out of school, to wind up without job skills and on welfare. We work with these teenagers to develop a service plan and to link them with the appropriate service supports within HRA and in the community. We expect to increase our family planning programs for teenagers in the coming year.

The OFS staff is also responsible for carrying out a number of innovative projects to determine the best ways to help families prevent the loss of housing or to serve families who have multiple problems.

Some of the intensive service/eviction prevention projects we are undertaking through OFS include:

Instituting a housing court program, in cooperation with Income Maintenance (IM), which places OFS social workers and public assistance eligibility workers in the housing courts where they can intervene, if needed, to provide financial services information and approve, on site, requests for financial assistance;

Launching the Housing Alert program, on a pilot basis beginning May 18th, which will provide services to families indentified by IM as being at risk of becoming homeless;

Two demonstration projects, one in the Bronx and one in Brooklyn, each providing intensive social services to fifty multi-problem families. The immediate goal of the projects is to link multi-problem families with effective, ongoing services; and

A pilot program—Case Alert—to identify and work with eligible public assistance recipients who repeatedly lose benefits because they fail to comply with recertification and other administrative requirements.

Homeless Families: Unfortunately, for many of the families who are already part of our family shelter system, our new programs to prevent evictions were too late. Of course, no number of eviction intervention programs could really have forestalled the growth in homelessness that has been brought on by a chronic and growing shortage of affordable housing for poor families.

The size of the homeless family population in New York City is an all too familiar and disturbing statistic: As of March 1, 1987, the homeless family population had grown to 4,781 families, with 11,814 children. To shelter these families temporarily, we have developed a network of directly-operated and contracted family shelters and family centers, and we use 63 hotels.

The total price tag for our program for the homeless is $240 million, of which $125 million goes to the family program. Almost $100 million of this cost is borne directly by the taxpayers of the city and the federal government contributes about $62 million.

In addition to the obvious goal of providing shelter that is clean and safe, the shelter program is developing a comprehensive social service component with a dual mission: first, to provide services that support families while they are living in cramped, difficult conditions; and, second, to assist families to locate and move into permanent housing.

Services provided to help families cope more effectively in their environment include:

The recent dedication of an additional 200 day care slots for homeless children, which will bring the total number of slots available to homeless children to 1,000;

The establishment of clinics at larger locations in conjunction with the Health and Hospitals Corporation and the Department of Health to provide specialized services for pregnant women and newborn children, and the development of a universal immunization program for preschool age children;

A pilot to experiment with reduced caseworker-to-client ratios in several hotels;

And, an intensification of Board of Education efforts to ensure that school age children are enrolled in and attending school.

Our initiatives to help families locate new housing and to move out of emergency shelter include:

The introduction of housing advisors into the larger hotels and shelters to assist families to locate apartments;

The Emergency Assistant Rehousing Program (EARP) through which landlords are offered a substantial bonus in exchange for a two-year lease at the public assistance shelter rate;

The Lend-A-Hand program, which assists homeless people who have located permanent housing by working closely with them to remove financial barriers to the move, such as a lack of furniture or rent deposit money. We have reduced moving time from a shelter from thirty days to seven days.

Turning to our child care programs, I believe our use of day care slots for children living in hotels and shelters shows that we view child care as being a crucial component in any effort to enable families to achieve stability and to enable welfare mothers to break the dependency cycle.

We will continue to work for a more effective integration of day care and Head Start programs with other human service programs.

For example, over the past several years, we have greatly expanded the number of children in day care who are there because of family problems. In 1981, less than 400 children were receiving day care as a protective or mandated preventive service. In the first six months of the current fiscal year, more than 1,600 children received day care for preventive or protective reasons.

We will also be making more of an effort in the future to link day care services more closely to the needs of our foster care system. In order to recruit employed people as foster parents, HRA has been working with the state to secure additional funding sources for day care for children in foster care. As a result, we have begun implementing a state-issued directive permitting Title IV-E reimbursement for day care services for children in foster care.

And, finally, in addition to Project Giant Step project—our cooperative effort with the Board of Education to provide a preschool experience to the city's four-year-olds—we will be making more of an effort in general to link our programs with those of the Board of Education.

I believe we could work harder to ensure that our day care curriculum anticipates what children will be expected to know when they enter first grade. For its part, there is much the Board of Education could learn from our programs serving more than 54,000 children in day care and Head Start about parent and community involvement and its importance in the learning process.

Now that I have described our programs which assist families who need help coping with the more general problems and strains associated with poverty and homelessness, it's time to tackle the truly distressing issue of what we do when parents cannot adequately care for their children.

New York City's protective service program, the entry point for most children into the child welfare system, is at an important juncture: the system is, I believe, at a point where we can be confident that we are more than meeting mandated requirements to respond to reports of abuse and neglect.

This is no small accomplishment, since New York City experienced a fifteen percent increase in such reports between 1985 and 1986, when the number of reports climbed from 36,000 to 42,000. And we project a similar increase this year.

Nevertheless, while I would readily acknowledge that the system has still a long way to go, we have worked hard to reduce our caseloads, deal with paperwork, shorten our response time to reports of abuse and neglect, and improve our training of workers and managers to meet the growing demand for service.

I should point out that in my opinion our protective service caseworkers are among the unsung heroes of our time, and we will continue to do all we can to improve the conditions of employment for this group of individuals who have such an extraordinary complex and thankless job.

There is no one reason for the increase in reports of abuse and neglect. We believe the public's greater awareness of this issue, the increase in poverty, and, most especially, the tragic explosion in drug use, have all played a role in the reporting of cases and the actual incidence of child maltreatment.

We have also wholeheartedly endorsed the concept of preventive services and are working hard to provide the kinds of services that help parents and children stay together. This year we have increased our service level to about 15,000 families with a budget of $47 million and a network of 116 community-based organizations.

Our directly-operated programs and our contract agencies provide families with services to keep children out of foster care or, if they have been placed, to accelerate their return home.

Services provided include counseling, parent training, day care, advocacy, and access to homemaker services.

Our expanded use of preventive services accelerated a downward trend in our foster care caseload that began in 1972, when the number of children in care peaked at 25,400. In spite of annual increases in the number of abuse and neglect allegations, preventive services helped allow us to reduce the foster care population to 16,500 children in 1985. Today, unfortunately, we are at 17,500 and climbing, due in large part to an increase in cases of abuse and neglect.

Just as there is no one reason for the increase in abuse and neglect reporting, there is, of course, more than one reason for the shortage of foster care homes New York City is experiencing today.

These factors include the rising numbers of children coming into the system because of abuse and neglect, especially related to the increase in drug use among young mothers, the decline in families wishing to take in foster children, and the requirement that contract agencies shift from a downward spiral to one requiring increased service levels with an often more difficult to serve population.

While these factors have hampered our ability to serve the foster care population as a whole, they have made it doubly hard for us to serve the many infants who are coming into our system nightly or who are remaining in hospitals because appropriate placements are not available.

At the beginning of April, more than 200 infants—known as "boarder babies"—were still waiting in hospitals for foster parents, although they no longer have a medical need for hospitalization. We have doubled our placements into foster homes of these children in the last seven months.

Unfortunately, however, the number of infants awaiting placement has continued to increase, because the number of children referred for placement on a month basis has outpaced the number of beds available. In March 1987, for example, while we were able to place eighty hospitalized infants in foster homes, another 100 infants came into care.

In response to this critical problem, we have developed a comprehensive plan that should help us to move babies out of the hospital within reasonable time frame by late fall. The goals of the efforts include returning to their parents all babies who can go home, or placing babies in foster care within seven days of medical discharge, and the development of adequate facilities for babies with severe medical/developmental problems.

I have brought a summary of the plan so you can see the thought and effort that has gone into it. In summary, we plan to deal with this problem, and foster care needs in general, through a combination of:

1) Enhanced and more coordinated preventive services;

2) More focused organizational initiatives such as establishing specialized hospital units to ensure more timely investigations on children in hospitals; speeding up the home study process; and

3) Increasing the pool of foster parents by a more focused information campaign, providing increased day care and babysitting support, and a higher stipend rate structure.

One unfortunate side effect of our intense focus on developing new foster care options for infants and our efforts to cope with the rising number of reports coming into protective services, is that our efforts to locate permanent homes for children available for adoption have suffered.

Since July 1, we have found adoptive homes for only 650 children, and it looks as if we may fall short of our goal of more than 1,200 placements by the end of our fiscal year June 30th. Most of the children now in care are older and more difficult to place. I assure you that we will make every effort to find homes for these children over the next year.

Adequate financial support for services that strengthen families and help keep them together is a responsibility shared by all levels of government. I believe New York City and New York State have lived up to their responsibilities. Now we ask that the federal government do the same.

The Landmark Adoption Assistance and Child Welfare Act of 1980, P.L. 96-272, envisioned a systematic child welfare program containing a full range of services tailored to meet the individual needs of vulnerable children and their families.

In adopting it, Congress recognized that its provisions had a real price tag. Thus, implementation of its provisions was tied to funding increases in the Title IV-B child welfare service program and increases in the Title XX social services block grant, so states and localities could implement new protections, procedures, requirements and support services.

However, the passage of the Omnibus Budget Reconciliation Act of 1981 reduced federal funds available to the city for child welfare programs dramatically.

Even worse, with regard to Title XX programs, it put mandatory programs in competition for the same funds as non-mandatory supportive services such as day care. The result has been a major shortfall in federal funding to support the act's noble purpose.

Child welfare services that should receive more generous federal support include:

Title XX day care services, which should be more available to foster parents, mothers suffering from stress, and parents enrolled in education and training programs;

The expansion of Title IV-E to create a special foster care program for teenage girls with children of their own, which would mean that one, not two, foster homes would be necessary, and the girl and her child would be able to form and maintain a stable relationship;

Services to help children aged eighteen to twenty-one years make the transition to independent living and away from welfare dependency (the current program is part of the Title IV-E foster care program, and its programs and services are not available to those over eighteen);

Development of a federal campaign to aid localities in their drive to recruit new foster parents; and

Additional funding for the training and recruitment of new child care workers who must deal with all of the traditional problems associated with child welfare, as well as today's concern with AIDS and the crack epidemic.

I would also like to point out that although ten months have passed since the U.S. Department of Health and Human Services (HHS) was legally required to publish final regulations on the newly enacted Title IV-E independent living program for foster care teens, P.L. 99-272, no federal guidance has been offered to states. Nor have any of the funds been released although more than half of the states have submitted program plans to the HHS secretary.

In January 1987 the Administration requested that this program be rescinded as part of the President's budget proposal. Without the services to be provided in this program, young people are "aging out" of the foster care program ill prepared to perform the basic daily living skills necessary to assure self-sufficiency.

I hope that immediate action will be taken to assure that this important program is not rescinded and that the $45 million appropriated by Congress is released to states to implement it.

As I noted in the beginning of my testimony many of the services that are required to return a family to stability do not fall within the purview of child welfare programs. You cannot, for example, strengthen a family through counseling alone if its overriding problem happens to be substandard housing. These non-child welfare issues are perhaps the most intractable and their resolution is expensive as well as difficult.

Among the initiative not traditionally seen as child welfare-related, but for which we advocate for more federal intervention, are:

A new federal emphasis on low income housing;

Federal leadership in the creation and funding of new treatment and residential facilities for drug addicts with young children; and

Additional funding for existing training and job development programs that would offer troubled low income families hope for a better tomorrow.

The need for expanded and comprehensive programs for families at or near the breaking point has never been greater. The factors which spur the increasing demand for foster care, such as drug and crack dependency, show no signs of abatement. HRA has made major progress in developing new programs to accommodate changing demands.

I would like to extend an open invitation to you to call upon us when you have any questions or suggestions which may help address the problems of poverty and its debilitating effects. In this important area involving children and families, I am confident that a renewed federal commitment would go a long way to enhance our effectiveness.

Senator **Moynihan**. That was very good and somber testimony.

May I ask you a few things, Commissioner, and Ms. Flowers and Trent?

The job does sort of overwhelm its people here in the city, doesn't it? I mean, the life expectancy of the Commissioner of Human Resources is eighteen months. Are you going to hang in there?

Mr. **Grinker**. I hope so. I am going to try.

Senator **Moynihan**. Can we be of help with respect to the fact that your top administrators, are all in jeopardy of being replaced because of this new social service exam?

Mr. **Grinker**. I am hopeful, Senator, that problem will be resolved. This is a considerable problem, as you read in *The Times*, in that a large number of the managers who are provisional have been managers for the last ten or so years.

Now we have new Civil Service tests and we are trying to really balance interests here by providing entry into the system for managers who have passed the Civil Service test, while at the same time preserving our managerial capacity. A number of the people who either weren't eligible or couldn't take the test for one reason or another are some of our best managers.

We have to find a way to keep these managers, so I'm hopeful the Department of Personnel will approve our proposed managerial plan, which will try to accomplish both things.

Senator **Moynihan**. The Adoption Assistance and Child Welfare Act of 1980, is one piece of legislation that we did get at the end of a brief administration, and it was almost the only initiative of that decade that did finally come to some fruition.

Is it your feeling that we have never really pursued the mandates of that legislation?

Mr. **Grinker**. That's right. I think that the federal legislation, as well as the New York State Legislation, place a great emphasis on preventive services, and while some resources have been made available, we have never truly been provided with the kinds of resources that we need to bring that legislation to true fruition.

Senator **Moynihan**. I don't want to take up the time of the President here, but let me just ask you this. There are 514,000 children on AFDC here in the city, New York City. The city is nowhere near responding to these half-million children at the level we would respond if there were 500, wouldn't you say that?

And, I am asking you, not telling you.

Mr. **Grinker**. I think it is clear that, first of all, lots of people grow up poor, and they are able to get out of poverty. I think the key in terms of welfare reform, in terms of the ability of people to deal with families and children together, is to give people the opportunity they need to get out of poverty, to get out of welfare.

I think we can't oversell the idea. We cannot do it overnight but we have to begin to reverse that trend.

Senator **Moynihan**. Let me ask you, and this will be my last question——

Mr. **Stein**. Take as much time as you want.

Senator **Moynihan**. Over in Brooklyn at that main office that you have opposite the Brooklyn Academy of Music——

Mr. **Grinker**. I think that's where you got stuck on the elevator.

Senator **Moynihan**. That is where we got stuck in the elevator, in a welfare hotel that is a scandal. We really got stuck in trying to get out, getting to the emergency exit where fortunately we had a couple of very considerable New York City police officers who got the door open. We are going to try to put together some changes in this whole AFDC structure—start asking persons to support their children, and in the first instance assume that the absent parents, of which ninety percent are male, contribute.

And, despite what they are saying, fathers are earning a living and paying Social Security. We know and can find out where they are if we have their Social Security numbers. New York City doesn't ask for them.

And I remember going through people who came in and just checking out, with many caseworkers, about what they ask every three months or four months when clients visit. "Where is Mr. X?"—"well, we don't know." "You are supposed to find out, aren't you?" "How are you going to find out?"—Social Security number? It's secondary to bringing the Social Security file on the computer screen. First you need the number, New York City doesn't get it.

Is that a legacy of the social welfare doctrine of the 1930s, that said you don't want to bring the absent parent into the disrupted family? That was doctrine, but now we are talking about finding people. Does anybody come to you and say, "Commissioner, We can't find these people because we don't get their Social Security numbers?"

Mr. **Grinker**. Senator, we have two problems in the Office of Child Support Enforcement in operating a program for collection from absent parents.

Last year, we collected about $25 million, this year we expect to collect about $38 million from absent parents. In New York City, our child support collection problems are compounded by the obstacles we face when trying to find people. In fact, even when Social Security numbers are known, people are hard to locate because of frequent moves.

One interesting thing I found myself, when I went out in the field last week and talked to some of the child enforcement investigators, is that when large employers are contacted, they are not very cooperative. And, this includes six or seven government agencies——

Senator **Moynihan**. Could you give me a list?

Mr. **Grinker**. I'll get you that list.

One of them happens to be HRA, and another is the Post Office. Obviously, employer compliance is one of the things we have to focus on, we need large employers to really work with us.

Senator **Moynihan**. If you don't get the Social Security number, it just makes your life impossible.

Thank you, Mr. Chairman.

Mr. **Stein**. Thank you, Senator.

Senator **Moynihan**. The City of Detroit does an extraordinarily good job in that matter and in no sense am I being accusatory, I'm just saying we don't. And my instinct after thirty years on this subject says I detect the continuation of doctrine that we set in place back in the 1930s. My instinct is that inside the system, you're supposed to run there is resistance to doing anything about it.

Mr. **Grinker**. Senator, we get it from both sides. The advocates say we're too hard on members of their communities, while others say we are really not trying to enforce the rules. I think that we try very hard to understand the needs of our clients, but at the same time we are trying to implement this program.

Senator **Moynihan**. There are performance standards here and we all ought to try to pull up our socks. We need legislation. We only just heard about it, but for years the city was able to say, well, we can't require Social Security numbers because it's private, and didn't do anything.

There is something in that system that doesn't want to do it. I offer you that judgment, it's nothing more than that. You are going to tell me which those government agencies are?

Mr. **Grinker**. I will get it to you.

Senator **Moynihan**. Thank you very much.

Mr. **Stein**. You said, Commissioner, early in your testimony that it was very difficult to implement the multi-service center concept. I'm just wondering which was recommended by the Beattie Commission, I'm just wondering why it's so difficult, because it was the cornerstone of the Mayor's commission, headed by Dick Beattie, and I think it was as good report.

Mr. **Grinker**. I think that one issue is defining what is a multi-service center, and how will it work. I could very easily put up a sign that said multi-service center and just designate a coordinator and say, okay, we have a multi-service center. A great many multi-service centers funded by HUD in the late 1960s and early 1970s were operated in that way.

One of the things I want to try to do is bring people into some truly coordinated service network, that recognizes that all clients do not have the same needs.

You don't want to over-casework a person who is functioning well. On the other hand, you may have a person who has really severe and significant problems, and requires a comprehensive service package that can make an impact.

This is a very complicated issue. I think there are different ways to do this. And, I believe that if we are to do this well we have got to bring in the voluntary sector.

Mr. **Stein**. Would it be possible then, Commissioner, to get a definition of what a multi-service center actually is so that when we refer to a multi-service center there will be some description of exactly what it is and, perhaps, as you say other agencies need to be identified——

Mr. **Grinker**. I would define it as a concept whereby the needs of the client are served and those needs are appropriately dealt with in a coordinated fashion.

And how we get that done is a difficult and complicated problem, and we are working on it.

Mr. **Stein**. We heard much today about tens of thousand of eligible children who aren't being served by day care, and Senator Moynihan states if they have their way, and I hope they do, we will be having a work fare program soon, which will mean that the need for day care will expand considerably.

It's a big problem. But, how the city is going to try and deal with this problem of expanding needs for day care—I think the problem we are going to run into, as I hope, in expanding our day care availability is going to be facilities—in terms of identifying leasable building facilities where we can undertake the problem.

I think we can mount an effective program but the space problem in many places in New York is going to be very difficult to implement.

Ms. FLOWERS. I think the Commissioner has basically responded to one of the major barriers. I would also like to say that with the right welfare legislation we will be able to give people on welfare self-sufficiency—no state or federal initiative should be done without recognizing people cannot go to work when their children are not properly cared for.

So as part of any work program there has to be recognition that children must be cared for, and cared for in a quality manner. So, one without the other would not make this program successful.

New York City, more so than other cities in this nation, has not seen a decline in day care service for its citizenry. In fact, since I have been here, since 1981, we have increased day care services incrementally, which is a proud history, but certainly not something the federal government should be proud of because we have basically done it at the local level.

I really believe in self-sufficiency and believe people should be able to work, but I also believe that children and families need day care not as a market support service but as an early child development service to enhance the child's ability to a successful life in the future.

Senator MOYNIHAN. Can I ask what proportion of AFDC parents in New York are in fact employed?

Ms. FLOWERS. In terms of our day care program we presently service about 42,000 children. Of that population about 8,000 are AFDC, which is not a large proportion.

Senator MOYNIHAN. So you're saying that 8,000 out of a half-million—which I will take to be an estimate——

Mr. GRINKER. She was talking about day care, Senator, not AFDC. In terms of numbers of people employed, I think approximately thirty percent are moving on and off the welfare rolls and a large percentage of those are employed. I would estimate that in any given year at least 40,000 would be employed.

Senator MOYNIHAN. That's very high. The 8,000 number would indicate something more like three percent, which is less than the average in the nation. If you're up at that level you're doing something others don't seem to be able to do.

Ms. FLOWERS. We have 5,000 currently in work fare in the city.

Senator MOYNIHAN. But I would make the point if you're only providing 8,000 slots in day care for children of welfare families, it suggests more than five or six thousand adults are employed out of a quarter-million.

Ms. FLOWERS. It also suggests, as you are aware, that day care in this state has very strict rules as to how you can use—for example, you must be willing to take a job and must be employed.

And what you have also is a major decline in the labor market support to help people get training, to become employed. So day care support is, in my mind, crucial if we are to help those now in training to move into the labor market.

Mr. STEIN. We are going to take a break because the Senator has another meeting and has to leave.

I would just like to ask one more question of Ms. Trent, I guess, which is that high risk cases we have detected in our studies of those issues, that there's been a lot of problems in handling of high risk cases. What are you doing to try and deal with responding to high risk cases in a more expeditious manner?

[Senator Moynihan left the room.]

Ms. TRENT. We think that we are doing a more than decent job in responding to high risk cases. We think it appropriate to make visits to the home within twenty-four hours in high risk cases and we're willing to permit——

Mr. STEIN. Will you repeat that, please?

Ms. TRENT. Visitation to homes of high risk cases where visitations are appropriate. There are high risk cases where there are babies in the hospital, for example, where visits are not appropriate. We are looking for a rate of something around seventy-five or eighty percent average, though that means we have some way to go.

We are finding that there certainly are improvements in this, and we are looking toward doing a lot better through improvements in our protocol for determining what a high risk case is and through improving caseworkers' wages and training.

Mr. STEIN. We are just going to take a five-minute break and then we will be back. I have just a couple more questions to ask when we come back in four or five minutes.

[Whereupon, at 12:30 p.m. a recess was taken.]

[Whereupon, at 12:40 p.m. the hearing resumed.]

Mr. STEIN. Okay, we are back on the record.

In light of the 8,000 families whose children are on welfare that we talked about before, why did HRA use such a small percentage of state funds for the voucher program for day care—I think only $500,000 of four million available? I think that was before you came in, but it is, I think, a relevant question.

Mr. GRINKER. I will ask Ms. Flowers to respond further, Mr. Stein, but in fact the voucher program is close to being full at the present time. I think the numbers that were being used were how much we had billed the state as of last March and did not reflect the true expenditures for that program.

And one of the questions was how quickly we mounted that program. I think that's a legitimate question. It was slower than it should have been, so that we didn't spend as rapidly as we had expected or the legislature had expected. But I think the program was close to capacity around January and the expenditures were considerably higher than that number.

Do you want to comment further?

Ms. FLOWERS. In terms of actual expenditures, as Commissioner Grinker said, the amounts were up, and we have subsequently billed the state.

It should also be understood that we used the voucher approach to get service into neighborhoods where we did not have publicly fund day care.

And we feel that it has been an effective way of getting subsidized child care into communities where we did not have publicly subsidized programs. But, it's a marketing, a selling job, and all of that, to get a private program to participate.

Mr. **Grinker**. You asked a question before I want to comment on, which is, how to deal with the possibility of increasing demand for day care service. I think one of the things we are going to have to look to is to be more flexible in terms of facilities that might be available.

I know that there are schools that are closing because enrollment is going down. I know that there are hospital beds that are vacant because the numbers of people in acute care are going down. I think we have to be more creative if we are going to actually expand some of these programs, especially day care, in terms of reusing these facilities, so we will have the facilities to accommodate the need.

Mr. **Stein**. I think, Commissioner, you mentioned in your statement that you have specialized services for pregnant and newborn shelters, which is to be commended. An article in Newsday said that infant mortality rate for homeless women is twice as high in the shelter as any other area in the city.

How is your program going to change in light of these figures, and is that figure right, infant mortality rate in homeless women is twice as high as anywhere else in the city?

Mr. **Grinker**. I am not prepared to answer that—I didn't see that article—I would have to really check it out. I was not aware that was the case.

Mr. **Stein**. But you feel you have programs to specifically deal with the issue?

Mr. **Grinker**. Yes, we do have a contract service with the Health and Hospitals Corporation for providing health care and screening for families coming into the system. And we are working with the Department of Health to increase our capacity in terms of identifying possible illness among children.

If in fact the numbers are higher, it's hard to say whether it is a cause or effect. I would imagine you could very well be getting children coming into the program who are sick, or parents with greater problems in terms of issues of drug use—that kind of thing, that would exacerbate the issue.

I definitely will look into it and get back to you.

Mr. **Stein**. Last question. I think you may have been here, or if you weren't, we heard from Monsignor Fagan who runs the Little Guys Home which has been so successful, his program. Why can't the city, instead of relying on group homes for temporary care babies, why can't the city implement the kind of program that Monsignor Fagan did where he was so successful taking the kids out of the hospital, over eighty kids, in a very short period of time, take them out of the hospital, take then for six months, instead of relying on the group home for this short, temporary kind of care?

Why couldn't the city, with all its resources, do what Monsignor Fagan did?

Mr. **Grinker**. I'm going to let Ms. Trent respond.

Ms. **Trent**. Monsignor Fagan obviously is a contractor of the city and most of the providers of service such as Monsignor Fagan are contractors. So when you say why can't the city do it, you must realize that in a sense the city is doing it. Most of the city system, as you know, upwards of ninety percent of the system, is run by contractors like Little Flower, and we have to rely on them to provide that kind of service.

Mr. STEIN. But the city has been sending, I know, children to the group home.

Mr. GRINKER. Which are also often run by contractors. It's the same group of service providers, generally.

Ms. TRENT. What Monsignor Fagan I think was referring to was very excellent, and it is an emergency foster boarding home program—that's where he finds places for babies for thirty or sixty days, and he is doing a wonderful job, and in fact we are generally, the city and state, expanding their emergency foster boarding home network by another 160 beds.

We just sent out notice of that, involving eight more agencies, which is going to bring our network to something like 400 beds. There is an enhanced rate for those who participate, they have to be on call twenty-four hours and have to be prepared to take the children very quickly.

So, that is a very good way indeed to take children out of the hospital or office or care facility, but it is, one must remember, an emergency system.

So that one is left, unless those emergency foster home parents do become regular foster parents, one is still left with a long-range treatment shortage of foster boarding homes.

Mr. STEIN. Would you, Ms. Trent, with me and with Monsignor Fagan, because I could use some help, and we could do so well by listening to him as to how successful he was, could we meet with the city and——

Ms. TRENT. We are very, very much aware of his program and we are willing to help in expanding it. He runs an excellent program.

Mr. STEIN. Okay, thank you very much.

We are going to save for our second hearing, when Senator Moynihan can be here, the Panel in Covenant House.

So, our hearing will be sometime toward the end of May.

I want to thank everybody very much for coming today.

[Whereupon, at 1:30 p.m. the hearing was adjourned.]

[The prepared statements of the witnesses follow:]

Statement by

City Council President Andrew Stein

APRIL 27, 1987

GOOD MORNING.

AS PRESIDENT OF THE NEW YORK CITY COUNCIL I WOULD LIKE TO WELCOME THE SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY OF THE SENATE FINANCE COMMITTEE AND ITS CHAIRMAN, SENATOR MOYNIHAN, TO CITY HALL. I THANK YOU, SENATOR, FOR INVITING ME TO CO-CHAIR TODAY'S HEARING ON NEW YORK'S FAMILIES AND CHILDREN IN CRISIS.

NO ISSUE COULD BE MORE IMPORTANT TO THIS CITY THAN THE CONDITION OF ITS CHILDREN. THE FEARFUL CIRCUMSTANCES SO MANY CHILDREN FACE EVERY DAY HAVE BECOME AN ALL TOO VISIBLE PART OF OUR LANDSCAPE.

HOW, IN THIS GLITTERING CITY, CAN WE POSSIBLY EXPLAIN INDICES OF MISERY SUCH AS THE FOLLOWING:

- AN ESTIMATED 40% OF NEW YORK'S CHILDREN LIVING BELOW THE FEDERAL POVERTY LEVEL;
- 11,000 CHILDREN HOMELESS;
- OVER 45,000 SEPARATE CASES OF CHILD ABUSE OR NEGLECT REPORTED LAST YEAR;
- 300 BABIES LANGUISHING IN HOSPITALS BECAUSE THERE ARE NO FOSTER HOMES;

- 70% OF OUR MINORITY CHILDREN NOT GRADUATING FROM HIGH SCHOOL;
- 13,000 TEENAGERS HAVING BABIES LAST YEAR.

PERHAPS THE MOST OMINOUS REVELATION OF WHAT THE FUTURE HOLDS FOR OUR CHILDREN IS YOURS, SENATOR. YOU HAVE ESTIMATED THAT "HALF OF THE CHILDREN BEING BORN IN AMERICA'S BIGGEST, MOST IMPORTANT AND WEALTHIEST CITY WOULD EXPECT TO BE ON PUBLIC ASSISTANCE BEFORE THEY GRADUATED, OR FAILED TO GRADUATE, FROM HIGH SCHOOL".

IF THAT IS SO, THEN THIS CITY FACES A CALAMITY. HOW COULD ANY RESPONSIBLE CITY OFFICIAL NOT BE DEEPLY APPREHENSIVE ABOUT THE LONG TERM CONSEQUENCES OF SO MANY CHILDREN GROWING UP IN ABJECT POVERTY, WITHOUT HOMES, WITHOUT DECENT HEALTH CARE OR EDUCATION?

CLEARLY, WHAT GOVERNMENT DOES OR FAILS TO DO IN RESPONDING TO THIS APPALLING HUMAN DISTRESS WILL SHAPE THE QUALITY OF LIFE FOR ALL OF US IN THE DECADES TO COME. UNLESS WE ACT NOW TO STEM THE TIDE OF POVERTY AND FAMILY DISINTEGRATION, THE DAMAGE TO THE CITY'S SOCIAL FABRIC AND ITS MOST PRECIOUS DEMOCRATIC INSTITUTIONS WILL BE INCALCUABLE. THIS INCLUDES OUR ALREADY BATTERED PUBLIC SCHOOLS, WHERE A THIRD OF ALL STUDENTS ARE ON PUBLIC ASSISTANCE.

THIS IS A NATIONAL CRISIS AS WELL. OBVIOUSLY IT REQUIRES NATIONAL SOLUTIONS. WE CITY OFFICIALS ARE GRATEFUL FOR THE LEADERSHIP AND THE PUBLIC ATTENTION FOCUSED ON THESE ISSUES BY THIS SUBCOMMITTEE.

YOUR RECENT HEARINGS ON THE FAILURES OF OUR NATIONAL WELFARE SYSTEM HAVE GENERATED MANY EXCELLENT PROPOSALS FOR REFORMING THAT SYSTEM. A CONSENSUS IS EMERGING THAT AMERICA NEEDS MORE RATIONAL POLICIES FOR HELPING POOR FAMILIES ESCAPE THE DREADFUL TRAP OF DEPENDENCY AND SOCIAL PATHOLOGY.

THERE ARE MANY THINGS THAT GOVERNMENT CAN DO TO HELP THE NATION'S 12 MILLION POOR CHILDREN. I DO NOT ACCEPT THE ARGUMENT STILL OFTEN MADE IN WASHINGTON THAT SO MANY CHILDREN ARE IN POVERTY BECAUSE THE GOVERNMENT TRIED TO DO SOMETHING ABOUT IT.

THE SAD FACT IS THAT OVER THE PAST FIFTEEN YEARS, GOVERNMENT ASSISTANCE PAYMENTS FOR POOR CHILDREN ERODED BY OVER ONE-THIRD. IT IS NO COINCIDENCE THAT SOCIAL PATHOLOGY HAS EXPLODED DURING THAT PERIOD.

ULTIMATELY WE MUST NOT RELY ON PUBLIC ASSISTANCE AS THE ONLY ANSWER TO POVERTY. THANKFULLY, THERE IS NOW GROWING RECOGNITION THAT GOVERNMENT MUST PROMOTE INDEPENDENCE FOR WELFARE RECIPIENTS BY PROVIDING TRAINING AND JOBS. THE BEST SOLUTION FOR POVERTY IS WORK AT A DECENT WAGE.

ANOTHER STEP - ONE THAT YOU HAVE CHAMPIONED, SENATOR - WOULD COMPEL STATE AND LOCAL GOVERNMENTS TO ENFORCE EXISTING LAWS REQUIRING ABSENT PARENTS TO CONTRIBUTE TO THE SUPPORT OF THEIR DEPENDENT CHILDREN.

FINALLY, I BELIEVE THAT LOCAL GOVERNMENT WILL HAVE TO DO A MORE EFFECTIVE JOB DELIVERING ESSENTIAL SOCIAL SERVICES TO FAMILIES AT RISK.

THAT IS THE FOCUS OF TODAY'S HEARING.

IN NEW YORK CITY THE INTERCONNECTED PROBLEMS OF HOMELESSNESS, CHILD ABUSE, TEENAGE PREGNANCY AND DRUG ADDICTION OVERWHELM THOUSANDS OF FAMILIES EVERY YEAR. WHEN GOVERNMENT FAILS TO REACH THESE FAMILIES WITH EFFECTIVE PREVENTIVE SERVICES, THEY FALL APART, AND THE CHILDREN ARE RELEGATED TO A BLEAK FOSTER CARE SYSTEM. NEITHER THE PARENTS NOR THE CHILDREN ARE THEN VERY GOOD CANDIDATES FOR WELFARE REFORM PROGRAMS.

DOZENS OF CHILDREN DIE OF ABUSE AND NEGLECT EVERY YEAR IN NEW YORK CITY WHO COULD BE SAVED BY PROMPT AND EFFICIENT INTERVENTION. THOUSANDS MORE LINGER IN FOSTER CARE, OR MUST BE KEPT CAGED IN HOSPITAL CRIBS, OR SLEEP IN WELFARE OFFICES, OR ARE SHUNTED AROUND FROM ONE GROUP HOME TO ANOTHER, BECAUSE CITY GOVERNMENT HAS FAILED THEM.

THESE ARE SOME OF THE SOCIAL ILLS TODAY'S WITNESSES WILL BE ADDRESSING. THEY CRY OUT FOR IMMEDIATE ATTENTION. THEY ARE ALSO INDICATIVE OF THE WIDER DILEMMA OF DEPENDENCY.

SENATOR MOYNIHAN, I THANK YOU FOR CONVENING THIS HEARING AND HELPING US FOCUS PUBLIC ATTENTION ON THESE DESPERATE PROBLEMS. AND I APPLAUD YOUR RECOGNITION THAT THE ISSUES OF WELFARE REFORM AND SOCIAL SERVICES TO FAMILIES IN CRISIS ARE CLOSELY LINKED.

STATEMENT OF

DAVID TOBIS

I want to thank you for this opportunity to speak as an individual about ways to help children and families. I want to make three points regarding services and welfare reform. First poverty in New York City among children and families is wide spread and the consequences are enormous. Second, the assistance that families need to survive and possibly escape their dependence is not reaching them. And third, if efforts to reform the welfare system are to have even modest success, a vastly expanded and improved network of services will have to be creatd. Fortunately, there are doauble solutions which have been known for years.

One hundred years ago when Jacob Riis published his famous book about children and poverty he was speaking loosely when be titled it How the Other Half Lives. Today our estimates are more precise - 40 percent of New York City's children live below poverty level. Poverty is the main factor consistently associated with problems such as abuse and neglect, teenage pregnancy and homelessness.

This year close to 100,000 children will be reported as being abused or neglected in New York City alone. Studies show that abuse and neglect is not merely associated with poverty but that the problems of poverty are causative agents in abusive and negligent behavior. In some New York City Neighborhoods as many as 20 percent of the children have been reported to be abused and neglected during the past five years.

Teenage pregnancy is another problem associated with raising children in poverty. It is a problem among all income groups but is most severe among the poor. In 1983 more than 32,000 teenagers in New York City, between 15 and 19 became pregnant; almost 14,000 gave birth. Roughly 2/3 came from low income families. Perhaps as many as one in ten teenage girls living in poverty gives birth each year.

The cost of these births to the city is enormous. An estimated 2/3 of all teenage mothers require public assistance at some time during the first five years of their child's life. The cost to the mothers and their children is devastating. As only one illustration, teenage mothers commit suicide ten times more frequently than the national average of girls the same age.

One of the background papers on welfare reform prepared by the American Enterprise Institute and distributed in preparation for this hearing, presents the notion of "behavior dependency." It is described as the behavior of poor people, caused not by low income, but by their growing inability to cope. The report says that many stay dependent on welfare through their own behaviors. The study concludes, "Those who do the following three things are unlikely to stay long in poverty: (1) complete high school, (2) get married and stay married and (3) stay employed at a job, even at first at the minimum wage."

Their positions reminds me of a bumper sticker I saw last week which said "Marriage is the cause of Divorce." The sticker meant that if you don't get married, you won't get divorced. True of course. But it is the same type of distorted reasoning used by some welfare reformers to describe "dependency behavior" among the poor. They say the poor are dependent because they drop out of school, have babies as teenagers and don't work. All those things are true but there are reasons that people engage in these types of behaviors, and those reasons are often associated with poverty and the resulting hopelessness. Welfare reform must provide services and assistance to families that address the material problems of their lives which are often the main cause of their dependence.

To date government has been unsuccessful in providng those kinds of services. I want to illustrate the severe consequences.

Last year in New York City roughly 40 percent of the reports of child abuse and neglect were repeat reports --. cases in which abuse or neglect in the family had been reported previously. In many of these cases so little assistance was provided to the families when the first abuse was identified,that the abuse continues or resurfaces. The State Department of Social Services audit of Special Services' for Children found that in families in which children are reported as abused or neglected, 40% of the services identified by case workers as being needed by the family are not provided.

For a while New York State's Child Welfare Reform Act provided some hope to workers and families by making services available to prevent children from being placed into foster care.

But state regulations have severely restricted the use of these funds so that the vast majority goes for cousnelling to families -- a useful service, but often not the assistance families need to change their material conditions and reduce a major cause of their abusive or neglectful behavior.

A second example of the consequence of insufficient services is the current foster care bed crisis which now captures the attention of the city. The crisis caused by many factors but a primary one is the lack of services to help families. Case workers who investigate reports of abuse and neglect are unable to secure the services such as homemakers, parent training, day care or job placement that famiies need to stabilize their situation, prevent a deeper crisis or end their dependence. These services are even less available before the abuse occurs.

As a result the protective service workers have little choice but to remove these children from their homes and place them in foster care. The foster care population as a result has risen dramatically at the same time that the city's efforts to expand the number of beds has been stymied, most recently by a fire bombing of a home in a white neighborhood in Queens in which boarder babies were to be placed.

As the city tries to solve the current bed crisis, a more profound crisis looms. The city, to its credit, has been racing to find foster care beds so that healthy children no longer have to sleep in offices, or in a different bed in a different foster care agency each night, or in hospital wards.

But because government has not provided sufficient resources and services to recruit the most appropriate homes in the city, children are being placed in situations that dedicated, but desperate, SSC workers know are unsatisfactory. For example, seventy percent of siblings placed in foster care are being separated. Living with a brother or sister is often the most important factor to surviving in foster care. Far more than half of all children in care are placed in neighborhoods or cities that are far from their biological parents, reducing the chances of visits and return home. And healthy infants who should be living with a family are being placed in congregate care, again causing long term damage.

I want to describe the resources and services that families need now and that will be needed in even greater numbers in the immediate future if welfare reform is implemented. I also want to mention several necessary strucutral changes in the service delivery systems to help families in a timely manner and in a way that can have maximum impact.

The first area are welfare benefits themselves, which have been falling relative to the cost of living. In 1976 income maintenance benefits in New York were 13% above the poverty threshold. In 1986 they were 15% below the povery level. A family with income below the poverty threshold in essence, does not have sufficient income to meet other needs and purchase a nutritionally adequate diet. In addition, a decreasing share of those in need receive benefits. In 1975, 95% of individuals below the poverty level received welfare benefits; in 1982, 56% received benefits.

We also have to change welfare's administrative policies. The federal government moniters only one error rate: how many people are inappropriately receiving welfare, less than 4% in New York City. The other error rate is astronomical: eligible families who do not receive welfare benefits. Either their benefits were terminated though they were financially eligible or they were effectively prevented from applying. HRA released a study last week showing that at least 20,000 children and their mothers are inappropriately terminated from the welfare rolls every month though they continue to be financially eligible for benefits and are reinstated within a month. More than one quarter of these inappropriate case closings were connected with clients' efforts to find work, or engage in job training. Welfare reform may increase the numbers of clients who must look for work and increase the administrative tasks they must perform. As a result, there is a great risk that welfare reform may also increase the number of inappropriate case closings.

Specific services that families need to prevent a crisis and end dependency include homemakers, day care, parent training, job training and jobs. Let me describe two services as illustrations.

Homemaker services are a wonderful, rarely used resource. Homemakers are women who cared for their own children and now help overwhelmed mothers raise theirs. They go into a family's home several days a week and teach them how to raise and discipline their children, budget, plan balanced meals as well as help with chores. Generally a mother has to have a major incapacitating medical problem to get a homemaker today. The city to its credit has significantly increased the number of families receiving a homemaker, but still only about 1,000 families receive a homemaker a year (for an average of three months) though at least 50,000 are eligible for, and need, the service.

If welfare reform were implemented enabling single mothers with children to work, a homemaker could help teach her to manage the household during the often turbulent transition to work.

The lack of adequate public day care is also a major problem. According to HRA's estimate, there are conservatively 63,000 children eligible for and in need of day care who do not receive it. The vast majority of those families who do have a child in public day care are employed, looking for work or in job training. Few overwhelmed single mothers without jobs are able to find a day care slot for their child.

If welfare reform were implemented a dramatic increase in day care would be needed to care for children all day or after school. Without an expansion in day care, government would have to take slots from other high risk groups, as now occurs all too often. For example, when state regulations were recently chagned to allow foster parents to be eligible for public day care, no new slots were created, reducing the day care slots available to other high risk children.

Service delivery systems also need to be restructured. We need to create an *early warning system* to identify child and family problems before they are overwhelmed. As David Gill, a child welfare expert put it, our curent service system brings an ambulence to a family after it has fallen off the cliff. We need an early warning system that would identify children and family service needs before a crisis occurs. Families seeking public assistance who have other problems should be referred immediately to preventive service programs. Social workers should also be deployed *full-time* at *each* day care center to screen and identify problems of younger children. Nurses should visit pregnant mothers, and mothers with infants, to find out how things are, offer a range of services and ensure they have excellent health care.

Second, we need to create a network of family service centers which provide the full range of services that well-functioning families need to thrive, and also services needed by families in crisis. It is the concept of one-stop shopping for services where eligiblity is based on one's neighborhood rather than one's income. These community-based centrs, which have all services a family would need was recently proposed by the Beattie Commission which the Mayor appointed. The plan was never implemented. Many countries have such systems; this country desperately needs one.

Finally, we now have two publicly funded, separate but unequal day care systems: A public one for poor children financed through the Social Services Block Grant, and a private one for more affluent children subsidized through federal income-tax credits to working parents. The federal tax subsidy nationally to private day care exceeded $2 billion in 1983 - more than the $1.6 billion spent on public day care. These day care programs are segregated by income and race; they should be merged.

It will take massive efforts to reduce the abuse and neglect of children, to reduce the dependence caused by poverty and to help children reach toward their full potential. Government puts basic resources to meet the needs of children and their families low on its list of priorities. The legislative branches of all levels of government have neglected their responsibility to develop policies and programs to serve children. As a result, policy is now being set in the courts and on the front pages of the major newspapers. There are now a dozen major lawsuits against the city for failing to serve children. Government must dramatically and permanently change its priorities and give the needs of children and their families the attention and resources they deserve.

Welfare reform which provides work at a descent wage, and the services and assistance families need to sustain that work effort, would be an important step in that direction.

TESTIMONY OF ANTONY WARD
EXECUTIVE DIRECTOR
CHILD CARE, INC.

City Council President Stein and Senator Moynihan, my name is Antony Ward. I am the Executive Director of Child Care, Inc., a non-profit child care resource and referral agency in New York City. I am honored to present testimony before you today on an issue of vital concern to us all--the child care needs of the children of New York City.

You don't need an expert to tell you that the demand for child care for children of working parents has grown dramatically during the past decade. The evidence is all around us--in the increasing numbers of women in the workforce who have children, the growing number of single-parent families, the rise in the numbers of poor children.

Let me give you a few statistics. In 1985, six in ten women with children under six were in the labor force, and half of all women with children less than a year old were working or looking for work. Experts predict that in less than three years 64% of all families with children will have mothers in the workforce.

Today, most women work because they must. In many two-parent families--one in four across the nation--the women's income keeps the family above the poverty level. For single parent families of course employment is crucial. Nationally, the median income for single-parent families with children under six is less than $7,000 a year.

For all of these families, child care is not a luxury. It is a necessity. Good child care means that a child will be in a safe, healthy environment. It means developmentally appropriate care that meets the child's needs--social, emotional, educational. Good child care means a stable, consistent arrangement that frees a parent from stress and worry and allows him or her to be productive at work.

In New York City, there are more than 300,000 children under 14 years of age who need child care while their parents work. Close to half of these children are under six. There are licensed slots available in full-day programs for a third of these children. For the estimated 144,000 children in this age group who are eligible for publicly funded child care, the situation is worse. There is space for only one in five children in publicly subsidized full-day child care programs.

As a result, thousands of parents cannot find licensed child care. Because they have to work, they must make do with arrangements that are at best, often unreliable, and at worst, unsafe--like those in the unlicensed family day care home in Brooklyn where two children died in a fire last November.

We at Child Care, Inc. know first-hand about the serious shortage of good, quality, affordable child care in this city.

Every day the counselors in our Information Service receive calls from parents who need child care for their infants and toddlers, for their pre-schoolers, and for their children who face the prospect of an empty apartment at the close of the school day.

I'd like to share several of these stories with you. Judy is a college-educated woman who lives in the Bronx. Nine months ago when their first child was born, she and her husband knew that she wouldhave to return to work as soon as possible. They had no family in the city and could not afford the $200-$300 a week cost of an in-home caregiver. They wanted good care for their baby girl. We tried to find a licensed infant care center or family day care provider for them, but no slots were available in their community. In eight months, Judy used four different caregivers. Then she gave up her job.

Judy's problem is a common one. The shortage of infant care is extreme. There are 68,000 infants and toddlers in this city who need out-of-home care while their parents work. But there are only 5,000 licensed slots all told--in licensed public and private child care programs, in day care centers and family day care homes--for these very young children. These slots can accommodate 7% of all the children under three who need child care. Families who cannot gain access to one of these slots must take what they can get.

o Robin is a young single mother of a three year old boy. She lives in Queens and works as a secretary in a small corporation in midtown Manhattan. With a salary of $18,500, she is eligible for publicly-funded child care through the City's Agency for Child Development. She wanted to place her child in a full-day program in a day care center because she knew that it would offer good cognitive and social activities in a group setting year-round. And she could afford the weekly fee of $23 a week for her child.

Robin could not find a slot for her son in a full-time program. He was one of the 72,000 pre-schoolers who were eligible for publicly-funded child care. But there are full-day slots for only 26,000 youngsters. He was not one of them. Like so many other single mothers who work full-time, Robin had to patch together a set of different child care arrangements--a part-day program, a babysitter, and a friend--to provide care for her boy while she worked to support them both.

o And, finally, I want to tell you about another young woman who came to our attention last month. Tina dropped out of high school when she had her first child at 16. Her second child was born three years later. Like the 67,000 other public assistance households with children under six, she needed welfare to support her family. This spring, Tina learned about the new, state-funded work-not-welfare program. Tina enrolled in the program because she wanted training to get a job to get off welfare.

The program offered to help her find child care for her children. And they did. For her four-year old. But there was no licensed child care for the baby in her Brooklyn neighborhood. The $7.00 a day she could get to pay for what the City called informal care--unlicensed care--was not enough to pay a babysitter. Her neighbors wouldn't provide child care because they were afraid the money would be held against their welfare checks. Although Tina wanted the training and the job it promised, she dropped out of the work-not-welfare program because she couldn't find child care.

These stories all point to the same problem. There is a critical shortage of child care in this city. The consequences are serious, for the well-being of children, for the welfare of their parents, for the economic and social health of the body politic...and for the prospects of a successful welfare reform program.

What can we do to address this problem? We propose two fundamental steps: the first is to expand the supply of licensed child care; the second is to expand access to care for families who need assistance. Our first proposal is to expand the availability of family day care by funding family day care networks. Family day care, provided for a small group of children in the caregiver's home, is the care of choice for infants and toddlers . But there are only 2,000 licensed family daycare homes in the city. Just 120 of them are available to parents who cannot gain access to the publicly funded child care system.

Family day care networks are associations of providers sponsored by a community-based agency such as a church, a neighborhood improvement association, or a social service agency. These network sponsors recruit, train, and supervise the family day care providers and refer parents to their care. The parents pay for the care with child care subsidies; their own income or some mix of the two. It costs approximately $50,000 to operate a network of 30 providers who can serve 60 children under two, (and an additional 150 aged two to six). Networks are a cost-effective mechanism for addressing the drastic shortage of infant care.

The Neighborhood Child Care Initiatives Project, our own effort to create family day care networks in underserved areas of the city, serves as evidence of the effectiveness of this approach. In the last year alone, the Neighborhood Chld Care Initiatives Networks have created 50 new slots for very young children.

Our project has been generously supported by the Carnegie Corporation and the American Express Foundation as well as other foundations and corporations. They believe, and rightly so, that providing child care is a public responsibility and that the public sector should share the cost of providing this service.

We agree that the private sector and the consumers should not be the sole bearers of this burden. Along with other members of the New York City Family Day Care Task Force, we have recommended a $1.15 million package in city tax levy funds for family day care expansion. These funds would support 16 networks, a public education campaign about licensed family day care, and staff support at a city agency.

As we have seen, there is also a significant need for full-day care for pre-schoolers in day care centers. One of the primary barriers to the expansion of center care in New York City is the lack of available space for not-for-profits. The recent difficulties experienced by the ACD in funding sites for Project Giant Step, the city's highly regarded part-day early childhood education program for four year-olds, is testimony to the seriousness of this situation. Many ACD programs could not participate in Giant Step because they could not find appropriate space that would meet the city's strict licensing requirements. Others opened late. Even now, as the program year is ending, renovation is still being done in some places.

One of the possible solutions for this problem is to support capitol expenditures for non-profit day care centers that provide publicly funded child care. These funds could be used for low cost mortgages to purchase space, for revolving loan funds for renovations or improvements, or for rent subsidies. To make this effective, the public authorities will have to be able to commit funding to programs for more than one year, and include enough money in the reimbursement rate to cover the authorization of capital costs.

Research shows that trained staff qualified staff are a key factor in good child care programs. New York City is fortunate to have some of the highest personnel standards for early childhood programs in the nation. Here, though, as in so many parts of the country, there is a serious shortage of professionally trained early childhood teachers.

One of the reasons is the notoriously low salaries in day care. On the average, certified child care teachers in New York City earn less than $10.00 an hour. Working a ten-hour day, twelve months a year at this rate requires a strong commitment to early childhood education and child care. Yet there are few scholarships and limited financial aid to encourage young people to enter the field. Salary increased and other financial incentives are vital; without them, we will not be able to stem the flood of teachers to other higher-paying careers.

Together, these recommendations will provide a partial solution to the shortage of child care. But such remedies will be useless unless we can ensure that children have access to these services.

You know that federal support for child care has not increased significantly during this decade. New York City's share of Title XX funds has risen less than 7% despite the fact that 44% of the city's children now live in poverty. Both the state and the city have allocated funds to offset these losses. Nevertheless, the number of children served in publicly funded child care programs today remains approximately the same as it was seven years ago.

Clearly, there is a need for more public funding for child care subsidies. We cannot in good conscience tolerate a situation in which fewer than one in five eligible children obtain the child care they need. Public funding is needed for vouchers to expand access for women like Judy and Robin who must work to support their families. It is needed to increase the child care stipend for informal care to help women like Tina move off welfare and achieve the self-sufficiency they want. And it is needed to help those women who will make the transition from welfare to work to maintain the consistent, stable child care their children deserve.

I will be happy to answer your questions.

Thank you.

SUPPLY AND DEMAND FOR FULL-DAY CARE FOR THE CHILDREN OF WORKING PARENTS BY AGE, 1986

Children	Supply[a]	Demand[b]	% Served
TOTAL: 0-13	74,067	306,799	24.1
6-13	25,196	162,431	15.5
< 6	48,871	144,368	33.7
3 - 5	43,833	76,636	57.1
0 - 2	5,038	67,732	7.4

(a) Based on CCI calculations of full-day care in both public and private programs for infants and toddlers; full-day care in public and private programs for pre-schoolers; and part-day programs for school-age children.

(b) Based on the New York State Council on Children and Families' 1980 Analysis of Children Potentially in Need of Substitute Out-of Home Care, modified by increases in labor force participation of mothers with children in specific age groups.

Source: CCI Unpublished data on the supply of full-day care; and New York State Council on Children and Families' Analysis of Children Potentially in Need of Substitute Care by Age and Ethnicity, New York City, 1980; and Hayghe, Howard, "Rise in Mothers' Labor Force Activity Including Those with Infants," Monthly Labor Review, U.S. Department of Labor, Bureau of Labor Statistics, February 1986.

ESTIMATES OF CHILDREN ELIGIBLE FOR PUBLIC CHILD CARE SERVICES FOR FINANCIAL AND SOCIAL REASONS, 1986

Children	Publicly Funded Slots[a]	In Need[b]	% Served
TOTAL: 0-12	40,818	352,000	11.5
6-12	10,316	208,000	4.9
< 6	30,502	144,000	21.2
3 - 5	26,080	72,000	36.2
0 - 2	4,422	72,000	6.1

(a) Based on publicly funded full-day slots in ACD programs for infants and toddlers and pre-schoolers, as well as ACD school-age child care programs; does not include Head Start, Project Giant Step, or unallocated voucher slots.

(b) Based on HRA calculations for children who are financially and socially eligible for public child care services, including families at risk; recipients of AFDC who are working, enrolled in an approved vocational or educational program, or looking for work; those who are under 21 who are completing their high school education; ill or incapacitated; and income-eligible families who are working, or looking for work.

PERCENTAGE OF PUBLIC ASSISTANCE (PA) HOUSEHOLDS WITH CHILDREN UNDER 6[1]
December, 1984 and June, 1985

	December '84		June '85	
	#	%	#	%
All Households	NA	—	2,925,000	—
All PA Households	362,572	100.0	368,768	100.0
All PA Households with Children 18 and Under	243,265	67.1	243,733	66.1
All PA Households with Children Under 6	71,763	19.7	66,575	18.1

Number of Children on Public Assistance[1]

	December '84 #	December '84 %	June '85 #	June '85 %
Total Children[2]	494,379	100.0	487,957	100.0
Under 6	191,403	38.7	177,973	36.5

[1] PA includes ADC, ADC-U, HR, HR Adults, HR Families

[2] Children includes 0-18 and 18 years of age

Source: Dependency, Economic and Social Data for New York City, Office of Policy and Economic Research, HRA, Summer 1985 and June 1985

ACD Public Expenditures for Child Care, 1982 and 1986[a]
(in millions)

	1982	1986	% Change
Total	$ 154.8	$ 201.7	+30.3%
Federal	115.3	122.8	+6.5%
State	-	8.8	100.0%
City	39.5	70.1	77.4%

(a) does not include $26.6 million in 1982 and $33.9 million in 1986 for Head Start

Sources: HRA Consolidated Services Plan, FFY 1982-1984 for Planned Expenditures for FY 1982; and HRA Consolidated Services Plan, FY 1986 for Planned Expenditures for 1986.

ACD Total Public Expenditures and Caseloads for Head Start and Day Care Services 1982 and 1986

Expenditures

($'s in millions)

	1982	1986	%Change
Total	$ 181.4	$ 235.6	+ 29.8 %
Day Care	154.8	201.7	+ 30.3
Head Start	26.6	33.9	+ 27.4

Caseloads (a)

	1982	1986	%Change
Total	77,800	81,900	5.3%
Day Care	69,000	70,300	+ 1.9
Head Start	8,800	11,600	+ 31.8

(a)

includes all children served during the year.

Sources: HRA *Consolidated Services Plan*, FFY 1982-1984 for FY 1982;
HRA *Consolidated Services Plan*, FY 86 for FY 1986

Presented by Megan E. McLaughlin, DSW
Executive Vice President

on behalf of

Federation of Protestant Welfare Agencies

I am here this morning to add to the bad news that I expect other witnesses are likely to present. Bluntly stated, the demand for social services in New York City by poor families and children in need far outstrips their availability. But, let me hasten to add, social services alone cannot solve the basic problems that most families face. The basic problem -- disease we must attack -- is poverty. And poverty, simply stated, is the absence of money or access to money to buy the goods and services one needs to survive even on a minimal level.

In 1985, 11.4 percent of all American families lived in poverty. During that same year, 28.7 percent of all Black families and 25.5 percent of all Hispanic families lived below the poverty line. Our reluctance to help the poor makes it easy for us to ignore the fact that forty percent of those in poverty are children.

In this the wealthiest nation, an additional 2.7 million children slipped below the poverty line in a seven year period (1978-1985). Twenty-five percent of our four and five-year-old children are poor. For these children, poverty is not an abstraction; its reality is poor nutrition, poor education, inadequate or nonexistent health care, and unsafe homes or none at all. The consequences to children include lack of preparation for self-sufficiency, hopelessness and despair or anger.

As dismal as the national statistics are they are worse in New York City, the financial capitol of the world.

- Poverty is increasing significantly faster in the city, whether measured absolutely or as a relative proportion of the population. Between 1970 and 1980, the number of poor in New York City increased by nearly 20 percent, while the City's overall population declined by 10 percent. During that same period, national poverty grew by 2 percent, while the population increased by nearly 12 percent.
- One in every five New Yorkers lives in poverty, while one in every eight Americans is poor.
- Nationally, the unemployment rate remains higher among Blacks and Hispanics. In 1985, it was 56% among white adults and 14.9% among Black adults. Between 1978-1981 the unemployment rate of 20-24 year olds increased from

6% to 16% in New York and the national rate increased from 8.8% to 12.3% among the same age cohorts.

- New York State has the fifth highest dropout rate in the nation at 34%. For New York City various dropout rates have been reported: 36% by the Chancellor, 50% by the Superintendent and up to 80% by other groups.

The groups hardest hit by poverty in New York City are people of color -- Blacks and Hispanics, female-headed households, and children. For the past sixteen years, the largest and most rapidly growing segment of the poor are those living in female-headed households. In 1980, two-thirds of our City's female-headed households lived in poverty. Presently, over 800,000 of our children live in poverty.

Every child needs a safe and nurturing environment in which to thrive. But in New York City we have approximately 11,000 children living in inadequate emergency shelters.

These statistics depict a bleak picture for large numbers of families and children. And we know that the reality is even bleaker because the poverty level used is terribly inadequate.

According to the Federal government, the current poverty level is $9,120 for a family of three and $10,800 for a family of four. Are these realistic figures for families who live in New York City in 1986? A more realistic assessment of what it takes to live in New York is provided by the Community Council of Greater New York's Annual Price Survey. It estimates that a family of four in New York City requires $35,000 a year to maintain a decent standard of living.

The fact is that a large number of New Yorkers, including a disproportionate number of children, are today living below the poverty line and an even larger number is surviving in deprived conditions.

The relevant question is what can be done about this dismal situation by the national, state and city governments and by nonprofit agencies and the business community? Unfortunately, there is no simple answer to this question, because the issues are complex and numerous. The minimum wage, employment, housing, health care, nutrition, education, crime, the welfare system, social services and more need to be addressed. There is no time to discuss all of these today. Let me simply note:

- Poverty is a disease that can be cured. It requires commitment. It requires additional resources.

- No solution, regardless of how well it is crafted can solve poverty or any of its symptoms in a short period of time. We spent more time fighting the war in Vietnam than we spent fighting the War on Poverty at home.

- No one approach will solve poverty because it has many faces and many causes.

- No approach will be effective if it focuses solely on the individual. Some of our key institutions must be changed and strategies must be devised to improve neighborhoods. Most of the City's poor Black and Hispanic families are clustered in specific neighborhoods.

From the Federal government we need massive assistance. This is an unpopular but realistic statement. For years, Senator Moynihan has eloquently and convincingly argued that New York State does not receive an adequate share of the Federal expenditures. The Federal government must increase its investment in its cities, including New York, particularly in its human capital. No North Atlantic nation invests a smaller share in housing, health care and social services than the United States. We in New York City feel this lack of investment most painfully.

For the past seven years the Federal government has been engaged in the unique economic experiment of cutting taxes and freezing or reducing social services expenditures, while escalating the military budget. I urge you, Senator Moynihan, and the members of this subcommittee to end this process and to urge that a fraction of the money now spent on military "doodads" now be devoted to the needs of the poor.

City and State elected officials must be brave enough and committed enough to act on behalf of the poor. We can no longer allow responsibility for the poor to be a political volleyball; a spirit of cooperation is essential. The State and the City must create complementary revenue and expenditure goals and priorities. We must investigate all avenues for revenues, examine the present tax structure, and monitor new tax reforms to guarantee that they are fair to the poor.

Our City and State officials seem to be joining the tax cutting bandwagon We urge you, Mr. Stein, to speak up and say -- provide services to the poor before returning taxes. New York City dealt with its fiscal crisis, in part, by reducing services to the poor. Now there is a surplus. We should at least restore the services.

The agencies who manage social service programs are in dire need of assistance. The current crisis in social services is worsened by the fact that social service workers are paid inequitable, low salaries. Essentially, we tax social service workers for working with the poor and needy.

The salaries of child welfare workers, to cite one example, are incredibly low, averaging well below that of other City employees. Social workers in voluntary agency foster care programs were paid only $14,800 last year. City employees receive the following starting salaries: sanitation worker - $23,000; police office - $28,000; and a school teacher - $20,000. Our City Council members earn $47,000. Who are these social service workers? Many are women who head households.

Salary is not an esoteric issue. It has an impact on quality of services. Low salaries result in high turnover rates, recruitment problems, increased training costs and low morale. Instead of a system designed to provide a stable environment to encourage the best people to work with our needy children and families, we have one that forces turnover.

One of our member agencies had 100% turnover within a twelve month period in its preventive program. And it had a 65% turnover in its foster care program. The consequence is that the agency could not operate at full capacity. This at a time when the City was desperately in need of additional services for children and families in crisis.

Another of the Federation's agencies that provides services for over 2,000 children has an annual turnover rate of 33 percent. In some months, three employees must be replaced each week. This is intolerable and due mainly to the low salaries and poor benefits the agency is able to offer. City Council President Andrew Stein has effectively brought to our attention in recent months the problems facing New York's poor, particularly our poor children, and those who are paid to provide essential services to our children. We urge you to continue this effort.

Finally, the business community must be recruited to join this effort. Poverty is everybody's business. Today's children become tomorrow's work force.

I could not end without bringing to your attention the increase in racial incidents in New York City. The racial problem was not solved in the sixties. We urge you to exert leadership in this crucial area.

I want to thank the Subcommittee for offering me the opportunity to speak to you this morning. I would be happy to answer any questions that you may have.

CITIZENS
COMMITTEE FOR NEW YORK CITY, INC.
3 West 29th Street, New York, New York 10001/(212) 684-6767

I am delighted to join in this hearing on some of the most important social issues of our times. I am here as a Board member and representative of the Citizens Committee for New York City and as Chairman of its new initiative Project One City.

This ambitious program aims to mobilize the neighborhoods of all five boroughs of our city to fight poverty at the grassroots level. The Citizens Committee was founded by Senator Jacob Javits in 1975, and I was its Chairman for its first five years. For the past five years Marietta Tree has been our Chairman.

The Citizens Committee's constituency consists of the thousands of block and neighborhood associations that make life more liveable throughout New York. It is our belief that the enormous energy of these volunteer citizen groups can be harnessed to alleviate the problems of poverty. Among the community projects that already exist on a small scale, and which we plan to expand citywide, are the following:

- Job Fairs that put young people in touch with employers.
- Mentoring programs to help young people make healthy choices and stick with them.
- A program to discourage teen-age pregnancy by a system of peer group advising at the community level.
- Day Care Networks - organized by and for local communities.

Beyond these basics, we have a number of more ambitious programs, ranging from small grants to encourage community development to other initiatives aimed at breaking down racial and other barriers.

Project One City is now raising funds from foundations, corporations, and individuals to launch these various undertakings. We have hired a Program Director, Mr. Kenneth Walker, who is with me today and he is already hard at work making contacts with the network of community groups that form our constituency.

I would remind you, Messieurs Chairmen, that there are more than 10,000 block associations in New York City - a very powerful agglomeration of concerned citizens.

Essentially, what we are trying to do is to capture the dedication of these local New Yorkers and to apply people power against our great and growing social problems -- not merely dollars.

- Osborne Elliott

over 55 years of caring
LITTLE FLOWER CHILDREN'S SERVICES of New York

Wading River, N.Y. 11792
516-929-6200

I am Monsignor John T. Fagan, the Executive of Little Flower Children's Services for the past twenty-eight years.

Little Flower Children's Services is one of the largest providers of services for children who have been abused and neglected in the City of New York.

Last July, Special Services for Children of the New York City Department of Social Services asked Little Flower to open a shelter nursery for infants.

There was a crisis!

Large numbers of "well babies" were without families and were boarded in hospital nurseries.

We opened a nursery for eleven infants in Brooklyn and prepared the staff. I had my first experience with infants in a congregate care facility - all of them seeking affection, all of them seeking attention. How sad! They needed their own Mamas and their own cribs.

I met with Mrs. Mary Ryder, our Associate Executive Director and other staff. We created our "Little Guys' Project". We would appeal to concerned people in the Metropolitan area to come forward, agree to undergo the process of licensing as foster parents and serve as emergency foster homes in this crisis. We would ask this special cadre of foster families to take the next "well boarder baby" who waited in a hospital crib without regard to sex, religion, race or ethnicity. They would rescue these infants from the hospitals, care for them for a temporary time from three to six months until permanent homes could be found for them. The permanent plan for these babies would be: return to their families or find new families by adoption and find long-term foster families until one of the other goal is found.

We placed our "homemade" advertisement in the NEW YORK DAILY NEWS on Wednesday, November 19th, 1986. We received a thousand inquiries by the following weekend. Our orientation classes began immediately at three locations. We reduced the normal three month licensing period for foster families to four weeks for the special "Little Guys' Project".

The first "Little Guy" was placed just before Christmas. As I present this testimony, we placed our ninety-fourth baby with these loving emergency foster parents. Together, we have made a difference. These infants no longer cry in hospital nurseries! Our faith that we could find New Yorkers from every race, religion and socio-economic background to help these children was affirmed.

Yet now, we have a problem.

Some of the rescuers of the babies from the hospitals want the babies they have rescued to be with them always. This is indeed a problem!

We are accused by a well-known newspaper columinist, Ms. Ilene Barth of NEWSDAY, of conducting a "despicable boarder baby shuffle" when we place these infants with pre-adoptive families or long-term foster homes in their own race, religion and ethnicity. Yet the guidelines for the Department of Social Services of New York State is that we should place the child with parents of the same race, religion and ethnicity. There are solid and practical reasons for this.

Also the process for a permanent placement for these infants is much more involved than the placement of a few months, more consultation with family members, more reflection. And a transracial adoption or long-term foster care would involve even more understanding and preparation.

Finding love for children is the primary goal of Little Flower! What is life without love for a child!

We have been successful in placing children with loving parents of their own racial, religious and ethnic traditions. We shall continue to search. If we are not able because of a crisis in numbers of children to find such loving families, we would place children with adoptive parents of a different race, religion or ethnicity - simply because enduring love is the most important need of a child.

The "Little Guys' Project" continues to serve the infants because of the dear, caring, rescuing families.

In my opinion, these emergency foster parents can solve the problem of the "well boarder babies" in the hospitals of New York City or any community.

Permanency and life planning for these children remain a challenge for Little Flower and for all of us as a society.

We wished to respond to the pressing needs of the babies in congregate care. It is said that infants are not able to talk, but they were very effective in communicating to me the message that they need loving mothers, an on-going person to hold them, to hug them, to feed them.

Since I am an old guy, I remember efforts made by the American industry in the days of World War II. Ships were built in record time.

I felt the need for that kind of action in this crisis. With the help of our staff we were able to reduce the time it takes to license a foster parent normally three months to four or five weeks. I am happy to say that several of the methods and innovations that we introduced in the homefinding process have now been accepted by the State Department of Social Services of New York and Special Services for Children in their recent "Guidelines To Expedite The Homestudy Process For Infants". I have attached to this testimony the "Guidelines For The Process Of Approval And Licensing Of Foster Parents For The "Little Guys' Project".

We also tried to make more personal our relationship with the applicants. Halfway through the homestudy, I would send them a letter emphasizing the needs of the infants who waited in the hospitals and thanked them for their concern. I sent written reports to all who were interested on a periodic basis, keeping them informed of our efforts and results.

I have attached copies of this correspondence to this testimony.

We also developed special guidelines for the service delivery to the infants when they were placed in the emergency foster homes. We placed more emphasis on health services since the health of the babies were so fragile. We limited the cases of the social workers to between fifteen and seventeen.

Since we only focused on infants and infant care, we were able to place emphasis on the special needs which the babies have. The foster parents had to agree to be willing to bring the babies in for visits with their natural families at least twice a month because our first goals or outcome was return of that infant to its family. I have attached written guidelines for the undercare services in the "Little Guys' Project" to this testimony.

The Challenge of Phase II of the "Little Guys' Project"

I am convinced that the principles of recruitment and licensing emergency foster homes to provide care for infants in this crisis have been successful. I believe that we do not have to return to the days of infant nurseries and congregate care for infants, which has clearly been shown to be detrimental to the growth and development of these children. I believe we can appeal to citizens of the City and of other communities to rescue infants from congregate care. Phase I of our "Little Guys' Project" is completed and proved in my mind to be an effective and therapeutic response to the needs of the "boarder babies".

The challenge of Phase II faces us. What will happen to these infants a year; five years; ten years from now? Where will they be? Our first hoped for goal or outcome would be return to family. I can think of several babies in our "Little Guys' Project" who returned to their mother, or their grandmother or their aunt after being with one of our emergency foster families for five weeks; six weeks and eight weeks. I remember how healthy and thriving the infants were as they returned to the arms of their family and how thin and frail they were at the time of placement.

The second outcome for the infants is adoption or a new family. Where there is a matching of race, ethnicity and religion, we will attempt to place the infants for adoption with our emergency foster home parents. We are facing the question of transracial adoption. Some of our "Little Guys" emergency foster parents wish to adopt these children when there is not a matching of race, ethnicity and religion. We attempt to follow the guidelines of the New York State Department of Social Services concerning transracial adoptions. The Black community in New York City is the single largest provider of foster homes and adoptive homes for New York City children. If we are unable to recruit more and more Black families for these infants, perhaps we need to look at Black communities in other parts of the United States. I am in contact with an agency in Texas who will be able to place some Hispanic infants for adoption. We need a new way of serching for adoptive parents. We also need clearly spelled out guidelines leading to transracial adoptions. What deligent efforts should an agency like Little Flower take to search for adoptive parents of the same race, ethnicity and religion before deciding to place that child with a family of another race, ethnicity and religion?

Certainly, the infants need families. They cannot be returned to nurseries, congregate care or orphanages. The third outcome for these infants would be long-term foster care until return to family can be accomplished or a new adoptive family can be found. I feel the child welfare system here in New York and nationally must look at these issues. I feel that we cannot rely on Little Flower's efforts alone, but need the consultation and reflections of the Public Departments and Commissioners and the professionals in child welfare of the Black and other minority communities.

I remain convinced that the steps Little Flower took to assist the babies last November were not only the right steps but the most effective ones and in the best interest of the infants.

The crisis continues.

Communities look for solutions in congregate care facilities but that is not the answer. The answer is family. The challenge of permanancy and long-term care for these infants in the most formative years of their lives remains with us.

Monsignor John T. Fagan, A.C.S.W.
Executive Director
Little Flower Children's Services of New York
200 Montague Street
Brooklyn, New York 11201

Submitted by
Lenore Berlingieri
Adoption Social Worker
Little Flower Children's Services

My name is Lenore Berlingieri. I am an Adoption Social Worker. I have been employed with Little Flower Children's Services for over two years.

Today I want to tell you the story of a woman whose five children the City placed in foster care with our agency. I want to talk about her efforts to get her life back together to get out of the welfare system and have her children returned to her.

Her name is Baronda McBroom. As you will see, her biggest stumbling block has been the indifference and blundering of city agencies...the very agencies that are supposed to help people like Ms. McBroom.

Ms. McBroom is my client. I have been deeply moved by her amazing struggle to rehabilitate herself after her children were taken from her at a time when personal problems had overwhelmed her. Ms. McBroom has conquered these personal problems.

But for a year and a half, she has been unable to reunite her family because she was not able to find housing. During this time she has lived with the constant fear that her parental rights will be terminated because of her inability to find housing.

Early in 1986 Ms. McBroom applied for housing with the New York City Housing Authority. The Authority accepted two applications from her--one for Section 8 housing and the other for Project housing. Month after month went by, and Ms. McBroom received no word from them. During this time, a Manhattan Family Court judge ordered the Authority to give Ms. McBroom preferential status because of her need to reunite her family. The Housing Authority promised the court that it would assist Ms. McBroom.

Nearly a year later--on January 5, 1987--Ms. McBroom and I finally obtained an appointment with the Housing Authority. We waited several hours for our interview, and when finally interviewed we were told that the only way we were going to get any housing through the Housing Authority was if we knew someone there. Furthermore, Ms. McBroom's file folder was lacking documentation of her initial application. It was as if she had never applied for housing months before, or made any effort at all! This was extremely discouraging, especially since it had seemed that some hope was in sight at last.

The next day I wrote to the City Council President's Ombudsman Unit, asking for help for Ms. McBroom and her family. They worked with SSC to obtain an apartment from HPD. After making innumerable visits and telephone calls to her Public Assistance Center and to HPD, Ms. McBroom finally secured a lease on a city-owned apartment in Manhattan. The lease was signed on March 19, 1987. It was now just a matter of a few days before Ms. McBroom and her children could be together as a family again...or so we thought!

In order for Ms. McBroom to move into the apartment, she needed help from Public Assistance to pay for the rent and furniture, and it was urgent that they process certain paperwork as expeditiously as possible. Unfortunately, the worker and his supervisors at Social Services apparently couldn't care less. They were extremely uninterested and unmotivated and were generally negligent in helping her. They were perfectly aware that Ms McBroom needed to have her children living with her before she returned to Court to regain full custody of them. Without housing, her parental rights were in jeopardy. But this just did not matter to the workers at Social Services.

Meanwhile, it turned out that the apartment HPD had found for Ms. McBroom was in complete disrepair. Con-Ed actually refused to turn on the gas and electricity, stating that the apartment was in dire need of electrical work--which would take weeks. In short, HPD had rented her an apartment that could not be occupied for some time. This did not prevent HPD from charging her rent--which she scraped together from her welfare grant and some small loans from friends--as of April 1, when the apartment was still unoccupied.

Unbelievably, I later discovered that this city-owned apartment had been renovated over a year ago, and was standing empty all that time. This city is supposed to be in a desperate housing crisis.

The story of Ms. McBroom is typical of the lack of coordination, between our city agencies. The very agencies that are supposed to help families stay together too often are instrumental in tearing them apart. The mental anguish this has caused is incalculable.

Why is it that individuals who are being paid adequate salaries and are in a position of responsibility cannot do their jobs properly without an "attitude" and without degrading "their" clients?

What disturbs me the most is that five children are still languishing in foster care, unnecessarily and the beds they occupy could be used by other needy children.

It is truly inspiring to see how Ms. McBroom continues her pursuit despite the many, many obstacles. Not often, as a social worker, do you see a motivated natural parent survive and overcome her problems, only to meet with constant discouragement from the system--yet keep fighting.

All too often, people not as strong as Ms. McBroom are destroyed by this experience.

Ms. McBroom has been lucky in that she has had some assistance in her struggle. But what about the many desperate people in this city who do not have anyone to advocate for them--people who must fight the system daily and who are deliberately discouraged from obtaining housing? What becomes of them--and, even more frightening, what becomes of their children?

Submitted by
Irwin Levin
Supervisor
Special Services for Children

Thank you, Senator Moynihan and Council President Stein, for this opportunity to share my views on services to children in New York City. I will limit my comments to certain aspects of Child Protection Services, as carried out by SSC.

With respect to my background, I'm a trained social worker and a graduate of the New York University School of Social Work. For the past eight years I have worked at SSC.

In February 1979 I was assigned to the Brooklyn Field Office as a Senior Supervisor to administer a Protective Unit with 100 staff people and a total caseload of over 2,000. In the course of doing my job, I discovered gross neglect, incompetence, mismanagement, and ineffective or non-existent supervision that resulted in ten children dying and many other families afflicted with needless pain and suffering. I was shocked and outraged because every one of these children could have been saved if only the staff had acted a little more responsibly.

After trying for more than a year to get my supervisors to address these problems, I decided to go public. I gave confidential SSC records of bungled cases to community leaders, including the Governor and City Council President. I knew that this was a violation but I felt it was necessary. I then became the object of investigation, harassment and persecution by this city administration. Two years later I left the Brooklyn Field Office, scared, disillusioned and facing serious disciplinary charges for divulging those confidential records.

Not only did the city administration make no effort to look into these deaths, they made a consistent effort to cover them up. Finally, after four years, the Inspector General's Office (HRA) in April 1984 released its report, substantiating all my charges.

The important question for us to address today is this:
Have the conditions at SSC that allowed these children to die changed today? Are today's Protective Workers and Supervisors more skilled and better trained? Is SSC's response system more capable of protecting children at risk? I'm afraid I would have to answer all these questions with a definite no.

But why is this system still a shambles? I'm afraid I have one possible explanation for this. Three years ago, I met with a mayoral assistant who was sympathetic to my concerns. He told me that the unfortunate fact was that if I only discovered a few white children dying, there might be some significant changes made.

HRA Commissioner Grinker recently released a report on child deaths in 1986 and stated that SSC "made significant errors in 25% of the 42 deaths." Based on my own experience, I believe that if an impartial evaluation were done of "high risk" cases, SSC would be found guilty of gross neglect in over 50% of the cases. During the course of 1987, SSC will probably handle over 50,000 cases of abuse and neglect this year. The number of inadequately served families will be staggering. Commissioner Grinker said he too was outraged by this report; however, I found that he had no meaningful recommendations to help curtail the bungling of cases at SSC. I wondered why not.

On Wednesday, April 8th of this year, this city was shocked by a terrible tragedy in the South Bronx. A building exploded, burying many people beneath tons of brick. The finest emergency resources of this city's fire, police, medical and ambulance services were rushed to East 141st Street and Third Avenue, to help save those trapped and injured people. All those sent to help were highly skilled and trained at their craft. They were ordered by their supervisors to respond swiftly because "lives were at stake". The Mayor and every other citizen would have been outraged if these "emergency" services waited one hour to send an unskilled or an untrained worker to that collapsed building.

SSC should be regarded in much the same way as any other essential emergency service. However, when any child in this city is reported being seriously abused or neglected to the emergency services at SSC, blunders and even tragedies often occur.

I will share one such incident with you. One November morning, a neighbor reported four young children being neglected and beaten. The case worker visited the family the next day. The mother claimed a gang of teenagers had wrecked her apartment and sexually molested her 4 year old son and beat her other children. The children verified the story. She claimed one son was kidnapped. The worker never called his supervisor to discuss his findings and the children remained at home. The son was later found with bruises and sent to a hospital. A month later, the caseworker visited the mother again, reported that she was unable to protect her children and recommended follow-up visits and counseling.

The caseworker made another visit two weeks later. He reported that the mother was coping better, and since she wasn't requesting any services he recommended the case be closed. This was done. A month later, the mother brought her 15 month old daughter to a hospital. The hospital reported the child D.O.A. The child's liver was lacerated and there was internal bleeding. An autopsy revealed old fractures and the child was undernourished and dehydrated. It was determined that a man living with the mother was guilty of kicking and beating the child. SSC staff allowed the surviving children to remain at home for another nine months. The older son witnessed his sister's death and testified at the man's trial. Investigators from the Inspector General's office (HRA) stated, "It is bizarre and shocking how SSC with all this evidence could have allowed these children to remain at home with this mother."

SSC in 1979, in 1984, and today is a system that treats children as if they are unimportant and valueless objects. The agency is now employing young and inexperienced college graduates as protective caseworkers. After a rushed training program that everyone passes, and three months in a special unit, these young workers are then given a regular assignment. These new workers are now responsible for between 25 and 50 cases, with enormous paperwork--over 80 forms per case. They are often left to make crucial life and death decisions all on their own. These workers often face violence and danger with little supervision and administrative support. In spite of these terrible working conditions, there are many caring and dedicated workers who do a fine job, help families, and save children's lives.

On many occasions, "high risk" cases elicit no more than a telephone call from the caseworker, and days will pass before face to face contact is made with the children and their abusers. Some caseworkers will often, on their own initiative, remove children without reasonable cause and without previous discussion with their supervisor, while others will allow high risk children to remain at home without supervisory approval.

Such irresponsible practices must be stopped if we are to prevent more children's deaths from neglect and abuse.

I want to emphasise that Child Protective Services is one of the city's crucial agencies. It deals with the death, physical abuse, and neglect of suffering children. Because it is family members who inflict this suffering, intervention is complex and extremely difficult. It is imperative that the protective staff should be the most skilled and highly trained, as our other emergency services--fire, police, and ambulance--are.

To repeat: Protective service is an essential emergency service. For it really to save lives, important changes are required.

1. Immediate response to high risk cases. When SSC receives such a case, a face to face visit with the children and perpetrators should be required within one to three hours.

2. Caseworkers on high risk cases should be required to confer with their supervisors while in the field after completing face-to-face contacts with the children and perpetrators. The decision to remove or allow a child to remain at home should be a supervisory decision, not a worker's. In addition, a face-to-face supervisory conference should take place within 72 hours.

3. The structure of the Protective Units should be changed. Teams should be formed. Each team should have a mix of staff, including case investigators, social workers, community aides and a social work supervisor, who would act

as team leader. Cases would be assigned to teams, and no longer to individual caseworkers. These teams should be given the resources to provide clients with day care, homemaking, welfare counseling, etc.

4. The new requirements for a Child Protective Worker or Supervisor should be a masters degree in Social Work, plus passing specialized training in child protection.

5. There is still a need for more and better monitoring of SSC by some impartial body. Such a body should:

   a) read all the SSC case records involving the deaths of children,and not just the summaries prepared by SSC;

   b) interview the caseworker and supervisor on all cases reviewed;

   c) produce quarterly reports to be released to the public;

   d) in addition to deaths, review all cases where children are critically injured.

TESTIMONY OF DR. MICHAEL A. CARRERA

Each year more than 1 million American teenagers become pregnant -- the overwhelming majority unintentionally. Forty-four percent of these pregnancies result in births. Half of these births are to young women who have dropped out of school, and have not yet reached their eighteenth birthdays. More than half (50 percent) are to young women who are not married. Teen males are rarely involved in the support and nurturance of the child they fathered. Teen marriages, when they occur, are characterized by a huge degree of instability.[1]

For teenage parents and their children, prospects for a healthy and independent life are significantly reduced. Young mothers are at an enormous risk of pregnancy complications and poor birth outcomes, and their infants face greater health and developmental risks. Teenage parents are more likely than those who delay childbearing to experience chronic unemployment, inadequate income, and reduced educational experiences. They and their children are very likely to become dependent on public assistance and to remain dependent for a long period of time. The emotional toll of these young people is staggering as is society's economic burden in sustaining these families.[2]

In the face of this profound social problem, and with the knowledge we must help our next generation of adults get off to a stable and healthy start, some individuals, agencies and institutions accepted the challenge willingly and with enthusiasm and resolve. However, it has become extremely clear that many of us promised too much, too quickly, we spoke too optimistically, and while we have been able to deliver some winning grant proposals, we have not yet begun to win the real war facing us; in a way, our well-intentioned initiatives have been drowning in the debris yielded by our mistakes. However, we are learning. We have learned that the beginning of wisdom in realistically dealing with this national health concern is

1. Children's Defense Fund, 1987
2. National Research Council, Panel on Adolescent Pregnancy & Childbearing, 1987

the recognition of the stark reality that the teen pregnancy and childbearing situation which we have been facing for some time now has been long in developing, and has been, and continues to be, conditioned by many complex, educational, economic family, racial and
other social factors. In the face of this we must accept that there are no quick fix solutions, no single intervention programs, no slick button phrases which, by themselves, will reduce the haunting, unacceptable statistics and their impact in human terms on the lives of so many young people. In this regard, I've repeatedly suggested to school family life and sex education teachers and administrators that they need to understand the limits as well as the potentials of that important educational enterprise. By themselves, programs of family life and sex education in the schools or in agencies will not reduce unintended pregnancies among teens. However, these programs do have an intrinsic worth based on what they can offer young people in the cognitive and affective learning domains, and there educational desirability should be based on those merits and not because it is seen as a panacea for this problem. Frankly, I believe that unintended pregnancies among adolescents would be affected more by doing away with the institutional racism that is systemic in our society. Likewise, quality education for all, and more widespread employment opportunities for young people and adults would probably affect the lives of teens in a more meaningful way than even the most effectively implemented school or agency sexuality program.

I believe another reality we must face is that in addition to trying to educate young people in ways that will affect their capacity to avoid unintended pregnancy, and will produce within them the ability to make responsible sexual decisions, we must at the same time offer life options and life change possibilities that will yield a desire in the adolescent not to become pregnant at this time in their development. I believe we need to provide young people with better pathways.

Adults need to show them the way, young people need and want our guidance.

What we have not yet been able to do properly is motivate some teens that pregnancy and parenthood is undesirable at that time in their lives. We do know that such a desire is more likely to exist if young people have a realistic life agenda, if they have a hopeful sense of their future, and if they see that foregoing early pregnancy and childbearing will enhance their chance to be successful. In general, teens who see themselves in this way usually have a positive sense and value of themselves, have appropriate coping skills, are not passive, and have ongoing opportunities to communicate with a concerned adult about their sexuality. However, many teen males and females do not see a future for themselves, they see little employment opportunity around them and therefore they face lifelong poor economic status; coupled with growing family fragmentation and inadequate opportunity for meaningful education, the spectre of hopelessness about their possibility for success in life becomes vivid and daunting. Under such conditions it is no wonder that some young people, instead of becoming industrious and hopeful, become sexually intimate and fatalistic.

In my own State of New York it is refreshing to see that Governor Cuomo's new adolescent pregnancy prevention initiative recognizes the complexities of the issue. He and other State leaders see reducing the rates of teen pregnancy and childbearing through programmatic intervention that reflects an integrated, holistic approach, and properly suggests, adolescence as not the best time to deal with adolescent sexuality, pregnancy and childbearing, but rather those formative and developmental stages prior to the second decade of life. However, I'd like to emphasize here that as we begin to move in this new direction we must be certain that our comprehensive programs are not simply attempts to contain the numbers of teen pregnancies, for political, social and economic reasons, but that they genuinely seek to remedy the root causes which tend to produce problemic behavior and feelings of hopelessness in young people. I believe quality of life is the issue which must be more fully addressed in our teen primary prevention and service programs if we are to make headway towards a solution of this national health concern. And while we rework our preventive and educational programs we must at the same time increase the level of support to those young people and families who continue to need services. this requires a local as well as a national commitment to an overall restructuring of public policy priorities -- not simply the expenditure of funds reflecting political judgments about to what group it is expedient to support at a given time. As fashionable as it seems these days, political rhetoric is no substitute for problem solving.

Philosophy and Program Dimensions of
The Children's Aid Society
Teen Pregnancy Primary Prevention Program

Philosophy and Organizing Principles

Our programmatic philosophy is based on the belief that in order to create a climate where positive change and direction can occur for young people, it is necessary to influence multiple facets in their life over a continuing period of time. A systems approach of this kind represents a very complex intervention. It is our belief, however, that such a comprehensive, quality of life approach can affect the changes we seek among young people, even among those who have lived within family systems suffering from generations of economic deprivation. Therefore, our program components which operate concurrently and sometimes simultaneously are centered on working with, and affecting a young person within his or her family system sand community. Our employment program, academic assessment and homework help program, college admission component, medical program, individual lifetime sports program, and family life and sex education program, taken together, have not been duplicated anywhere in the country. This program is funded by the Governor's Adolescent Pregnancy Prevention and Services Program, private funds, and the Childrens Aid Society.

Our programmatic vision is grounded in several organizing principles:

* We believe that young people are capable of more than simply avoiding problems and situations which will complicate their lives; we believe they are capable of doing good for themselves, and their family and for their community. Staff attitude and behavior sustains that notion and helps young people realize their potentials for such achievement. The entire program is is bathed in this belief.

* Parents, grandparents, foster parents and other adult care givers are significant influences on the sexual development of young people. Their roles must be respected and must be included in meaningful ways in holistic quality of life programs;

* It is the philosophy of the Children's Aid Society and the program that young people should delay having intercourse for as long as possible. Intercourse, we believe, is the kind of special intimacy that best fits a relationship later in life We are mindful, however, that intercourse, for some teens, is a way of coping with their feelings of fatalism, confusion or unhappiness. So we are prepared to replace that coping mechanism with options and possibilities and experiences which are meaningful and which will make sense and be useful to them at this time in their development.

* We are aware, too, that young people do not always listen to the guidance of adults and may begin to have intercourse even in their pre-teen and early teen years. In these cases our role is to care and understand them and try to help the young behave in a way that will prevent pregnancy. We will not turn our backs or withhold affection as a form of our disapproval, rather, we will be there in an ongoing way, providing the guidance and on site contraceptive services necessary so that unintended pregnancy does not occur. Paradoxically, we have discovered during the first 26 months of our work, that this type of honest, supportive, limits setting approach is appreciated by the young people and helps them clarify their thinking and acting much more than the threats and fear arousing communication that so frequently characterizes the way adults communicate to young people.

- Our primary pregnancy prevention effort is addressed equally to both males and females. Our attitude is that boys belong in this process and must be reached, educated, and positively influenced about their role and responsibility in relationships. Just teaching young women to say "no" is to continue a sexist double standard. Teaching young men "not to ask", balances the approach and is an important learning for males.

Program Design

The following is an overview of our Primary Prevention Programmatic Dimensions:

1. Job Club and Career Awareness Program -- Through this weekly two hour program conducted by our employment specialists, young people explore the types of career possibilities available to them and learn in concrete terms about the world of work.

   To date, each youngster in this program has secured a social security card, has accurately completed working papers, and has learned how to complete employment applications in an intelligent fashion. They have taken part in several role-play job interviews and were required to appropriately dress for each one. Each of the teens who participated in this program secured a part-time or full-time summer position. The 12 and 13 year olds, too young for working papers and too young to obtain a typical part-time job, participated in the Entrepreneurial Apprenticeship Program. Through this program, these youngsters, as well as other older teens who choose to be involved, worked during various community functions: basketball games, dances, and other community activities. They sold hot dogs, soda, juice and snacks at these events. The teens earned a minimum hourly wage and at the end of a specific period participated in a modest profit-sharing program based on the degree to which they fulfilled their job responsibilities.

All the young people at our Central Harlem site at the Dunlevy Milbank Center who have participated in the employment program opened bank accounts at the Carver Federal Savings bank at 125th Street in Harlem. Our young people are learning that banks, like college, are part of their future. They are learning about interest and how to save and spend in a controlled, systematic way. Thrift, self sufficiency and planning are major issues emphasized in this unique program component. Employment staff monitor the bank accounts on a bi-weekly basis.

2. Academic Assessment and Homework Help Program -- Each teen has a thorough academic assessment conducted by a team of specialists. Scores are obtained in math, reading, writing and basic, age-appropriate life concepts. Following that thorough testing, a prescription is developed for each teen summarizing his or her strengths and deficits. The prescription serves as the basis for ongoing individual and small group tutorials.

Staff educational experts and a group of volunteers from the Junior League use the academic prescriptions to provide one-on-one, and/or small group educational support to the teens. These volunteers provide this service several days a week at the Dunlevy Milbank Center at regularly scheduled times.

Separate from the tutorial program is a homework help program which is available two afternoons a week. Educators are available to assist young people with any academic or school related problems they may encounter.

3. College Admission Program -- In the early Fall of 1986, Donna Shalala, the President of Hunter College, convened a meeting of all teens and their parents in our program and presented to them a certificate guaranteeing their place as a fully matriculated freshman in Hunter College following completion of the teen pregnancy prevention program and graduation from high school.

This is the only program of its sort in the Untied States that has received a commitment, by a College President of a major university system, guaranteeing an acceptance in an accredited college upon completion of high school, our program, and the recommendation of the teen pregnancy project director.

This commitment will serve, as a concrete incentive to the young people interested in furthering their education. We have made real the notion that college is in their future.

The majority of the families of the youngsters in the teen pregnancy program are on various forms of public assistance. The major costs at Hunter College, therefore, will be paid through the numerous aid plans ordinarily available to young people who qualify for financial aid. In addition, however, the Children's Aid Society developed a special fund to support any of these youngsters who have financial needs that go beyond those provided for by Federal and State Aid plans. Some financial support for education is already available for young people who participate in other CAS programs.

Finally, academic support services will be provided as needed through the SEEK program as well as through a variety of other academic help program available to students at Hunter College.

4. Medical and Health Services -- are available, four hours, each week and are provided by the Center Nurse and Adolescent Medicine Specialists from Montefiore Hospital in the Bronx and Mt. Sinai Hospital in Manhattan. Every teen has a complete annual physical and every female has a yearly GYN examination. Each year the physical examination is preceded by a thorough social and family health inventory. This is a valuable part of each teen's health history and is administered by the Center Nurse.

   When necessary, the physicians provide confidential contraception counseling and prescription. In these cases, each of the youngsters using contraceptives has a weekly meeting with a counselor who follows each female and male to be certain that they are using their contraceptive regularly and properly. During these sessions school, family, peer and employment issues are also explored.

   The young people in the program are urged to view the physicians as "their doctor." They can see them and the nurse without an appointment and discuss any health or related areas with them. This service, and all other program services will continue for five years.

5. Self Esteem Enhancement Through The Performing Arts -- This ongoing self expression program is taught by professional actors and actresses from the National Black Theatre. In weekly workshops, two hours per session, parents and teens discuss issues ranging from conflict resolution in school and at home, to presenting one's self for a job interview. This medium enables the youngsters and adults to experiment with various scenarios and conclusions

and see themselves and their peers from a new perspective. It's a chance for reflection and feedback, and an opportunity to receive recognition and applause. Music, dance, role play and dramatization are some of the methods employed in this program. The sessions become a forum for discussing gender role, family role, affection, and intimacy.

6. Lifetime Individual Sports -- In this unusual program component, the young people learn skills in the lifetime sports squash, tennis, golf, and swimming. From a skills development standpoint, these activities are all "unforgiving sports" which require a precise mastery and the exercise of self-discipline and self control. We believe learning the skills and discipline necessary to achieve fun and success in these sports, and learning how to play under control, is transferable to other aspects of their every day lives and facilitates learning to live under control. Further, it is our belief, that the more opportunities young people have to consistently practice skills that require self-discipline, the greater the likelihood they will be able to exercise the self-discipline necessary to delay early sexual activity. And, if they decide to have intercourse we feel these types of experiences contribute to the development of the discipline and control necessary to use contraceptives so unintended pregnancy is avoided.
7. Family Life and Sex Education Program -- This is a formal 15 week, two hours per week educational experience for teens and for parents. The program centers on an understanding of sexuality from a holistic viewpoint. While there is discussion of sexual anatomy, reproduction and contraception; there is more emphasis on exploring issues such as gender role, family role, body image, and patterns of affection, love and intimacy. Roles, responsibilities,

and values in relationships are emphasized. Increasing the sexual literacy of both the young people and their parents is our goal. There are readings, films, role playing, and lectures. Both of the specialists who lead this program are certified by the American Association of Sex Educators, Counselors and Therapists. Dr. Michael Carrera, Project Director of the CAS Pregnancy Prevention Program, is the past President of that National accrediting organization.

Submitted by
Douglas H. Lasdon
Director
Legal Action Center for
the Homeless

My name is Douglas Lasdon and I am director of the Legal Action Center for the Homeless (the "Center"). I established the Center in 1984 with a grant from a private foundation. The Center is currently supported exclusively by private sources. I am also a member of the adjunct faculty at New York University where I teach a course in the Metropolitan Studies Program called Law and Urban Problems.

I welcome this opportunity to offer recommendations to improve the public welfare system based on my experience with poor children and public assistance recipients. I will address two specific problems: youths inadequately prepared for discharge from foster care and the maladministration of public assistance in New York City.

This is an urgent time to reform the public welfare system and we must first face up to the shocking housing shortage in New York City. There are now 25,000 men, women, and children living in shelters for the homeless in New York City, and more than 100,000 people living precariously doubled and tripled up. Countless others wander the streets with no shelter at all. At the same time, the federal government had slashed 20 billion dollars from the annual housing budget.

No social problem develops in a vacuum. The lack of decent housing in New York City is a contributing factor to almost all of our social ills. Children of homeless families are more likely to be placed in foster care, miss school, and be neglected and abused. Perhaps most profound though, these children grow up in a world without opportunity and hope; a world of emptiness and despair; a world that leads to crime, prostitution, teen pregnancy, high school dropout and substance abuse. Clearly, if we are to resolve any problems in the child welfare system we must begin by providing decent housing.

Let me now describe my experience at the Legal Action Center for the Homeless. At the Center we engage in three basic services: direct representation of homeless people, class action lawsuits and research. The Center operates legal clinics directly in soup kitchens throughout New York City. Our method of representation is based on the theory that certain people would not receive legal assistance if we did not bring the service to them. They either don't know they have rights or don't know how to vindicate them. To the best of my knowledge we are the only legal service organization - other than a student clinic recently started at Yale Law School - that reaches out to clients in this manner.

At the Center's legal clinics we see people at the end of the line: people who have, at best, been bypassed by social service systems, or who have, at worst, been victimized by them. We see the results of failed delivery systems.

We also bring class actions. One of the class action lawsuits the Center has brought - along with the Coalition for the Homeless - is Palmer v Cuomo. This case challenged New York City and New

York State's inadequate preparation and discharge of thousands of youths from the foster care system. It was the first case nationwide on behalf of this population. Plaintiffs won a preliminary injunction holding defendant's pre and post discharge services unlawful. Subsequently, the parties engaged in settlement negotiations and established a program of pre-discharge training and post-discharge supervision that will soon be promulgated as regulations under the New York State Department of Social Services (a final settlement has not been signed yet).

Finally, we also engage in research. For example, the Center, along with New York University, recently released a report describing the life circumstances of soup kitchen users in New York City. The report takes a hard look at the experience these people have with the public assistance system. The report documents that almost 25% of those participating in the study - hungry men and women whose only meal often was the one they received at the soup kitchen - were terminated from public assistance in the past year, 44% were eligible for public assistance and not receiving it, and 33% of those who had never received public assistance had unsuccessfully applied for it. The report also found that 42% of those participating in the study eat one meal or less per day and 33% slept on the streets or in some other public place on the previous night. A copy of the report is annexed to my testimony.

Foster Care Discharge

Every year some 2,000 youths over the age of eighteen are discharged from foster care to their own responsibility. These youths are poorly prepared for living on their own; for the most part they have little education, few job skills, poor life skills, no income and no housing. The foster care system has become another stream adding to the homeless of New York City. A 1980 blue ribboned Mayor's task force had this to say about the poor treatment of this population:

> About 1,200 young persons were discharged to their own responsibility in the year ending September 30, 1979. Where did they go? What did they do? We know very little about what happened to them. A handfull (16) were known to enter adult job training programs. Fifteen went on public assistance. The military enrolled 49. But by far the largest number - 1,124 - were simply "released to their own responsibility." Whether they were employed, living stable lives, drifting in the streets, or in trouble with the law are questions for which the foster care system presently provides no information or answers.

In 1984 a report on the implementation of the Mayor's task force report found: "There has been very little progress in any of these areas since 1979."

Our lawsuit Palmer v Cuomo, when the settlement is finalized, will be an important first step in resolving the problem of inadequate foster care discharge. The proposed regulations will provide for predischarge training, a transitional housing program and a post discharge supervision program. These regulations, however, are only a first step. Without a financial committment by the city, state and federal governments the program will not work.

The federal government must remove the restrictions for reimbursement to states and cities for foster care programs for 18-21 year olds. Currently, federal reimbursement is only available for children in foster care only until they are 18 years old - 19 if they are still in school. Youths who leave foster care at 18 are abruptly cut off from their families and social service systems; they are left completely alone. Without assistance those youths get caught in a downward spiral that often ruins their lives. Federal reimbursement must be available for programs designed to ease their transition from foster care to independent living.

New York City must also provide a separate shelter system for youths under the age of 21. Right now, all single people over the age of 18 (and some under 18) are sheltered in the same Dickensian warehouses. Segregating the youths from the older homeless will not increase expense. It merely involves rearranging beds within the current system.

The municipal shelters are inappropriate places for impressionable youths trying to establish independence and positive self images. Also, youths under 21 simply won't stay in municipal shelters - they will sooner sleep in subways, parks, abandoned buildings and the streets themselves. On one day in January of this year, HRA reported that only 204 youths under the age of 21 stayed in the municipal shelter system, 2 per cent of the 10,000 adults in the system. In our report, Below the Safety Net, 11 out of the 15 youths under the age of 21 had slept in the streets the previous night. None had stayed in a public shelter. Without a separate facility we leave these kids to the cold of the streets.

Welfare

Finally, I would like to focus on the administration of public assistance in New York City. My comments are addressed to the way which program implementation undercuts policy that has already been voted on by the legislature. It is clear that the administration of public assistance in New York City has broken down. Every month over 30,000 men, women, and children have their public assistance cases abruptly terminated for administrative reasons unrelated to financial need. The assistance that is cut off is often the lifeline to basic food and shelter. To highlight the problem I shall relate an example. It is a story that is all too common. It is about an elderly man, but could just as easily be about a woman and child.

> Robert T. had been receiving Home Relief and living in a rooming house in Manhattan. At the time, he worked in a municipal hospital as a condition of receiving public assistance. He had worked steadily for eight months when he developed a foot infection which made it difficult to walk. He asked his supervisor if he could be excused from work until his foot healed, and presented a doctor's letter confirming the malady. The supervisor agreed to let him stop work temporarily.
>
> Two weeks later HRA terminated Mr. T.'s Home Relief payments. He received no notice or explanation and did not know his rights or where to turn for help. No longer able to pay his rent, he lost his room. In the spring of 1986 he was homeless, eating in soup kitchens.
>
> He spent four months sleeping in the city's transportation terminals and parks until he met a staff member of the Legal Action Center at a legal clinic operating out of one of the soup kitchens.

> Mr T., represented at an Administrative Hearing by the Legal Action Center for the Homeless, challenged the termination of his benefits. The Administrative Judge upheld his claim that his benefits were unlawfully terminated because he had a legitimate reason for missing work and had not received notice from HRA that it intended to discontinue his benefits.
>
> Mr. T. was awarded retroactive payments to the date his case was closed. He moved back into the rooming house.

To fix the public assistance system we must remove the government's financial incentive for unlawfully terminating people's assistance and replace it with an incentive to follow the law. The most effective way to accomplish this would be to amend the federal sanction system to include sanctions for errors to eligible people as well as for errors to ineligible people.

Under the current federal sanction system funds are withheld from a state if the state's error rate exceeds a minimum limit. The error rate measures only errors in "payments to people who are ineligible for payments and overpayments to eligible people." The error rate does not measure errors of nonpayments or underpayments to eligible people. Thus, there is no incentive to reduce errors to eligible people.

The federal sanction system as it now operates is food for the cynical. It tells us that the government does not care if public assistance to eligible poor people is wrongly terminated or denied. We must change this. We must make a better effort to ensure that people receive assistance that is often the difference between food and hunger, and housing and the streets.

WILLIAM J. GRINKER, ADMINISTRATOR/COMMISSIONER

THE NEW YORK CITY HUMAN RESOURCES ADMINISTRATION

GOOD AFTERNOON. I AM WILLIAM GRINKER, ADMINISTRATOR/COMMISSIONER OF NEW YORK CITY'S HUMAN RESOURCES ADMINISTRATION (HRA), THE AGENCY RESPONSIBLE FOR PROVIDING INCOME SUPPORT AND SOCIAL SERVICES TO THE CITY'S NEEDY FAMILIES AND THEIR CHILDREN. I WISH TO THANK YOU SENATOR MOYNIHAN AS WELL AS OUR CITY COUNCIL FOR THIS OPPORTUNITY TO PRESENT HRA'S VIEWS ON WHAT MUST BE DONE TO HELP FAMILIES IN POVERTY AND CRISIS.

AS YOU MAY KNOW, I TESTIFIED JUST A FEW DAYS AGO BEFORE THE HOUSE SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES TO DISCUSS SOME OF THESE SAME ISSUES. ESSENTIALLY, I WOULD LIKE TO SHARE WITH YOU A MESSAGE SIMILAR TO ONE WHICH I CARRIED TO WASHINGTON. FIRST, I BELIEVE IT IS IMPORTANT FOR US ALL TO REALIZE THAT WHILE NEW YORK CITY'S PROBLEMS MAY BE PERCEIVED AS BEING DIFFERENT THAN THE EXPERIENCE OF OTHER CITIES BECAUSE OF SHEER SCALE, THEY ARE REALLY JUST SYMPTOMATIC OF WHAT IS HAPPENING IN URBAN AREAS THROUGHOUT THE COUNTRY.

THE CURRENT, MUCH PUBLICIZED, DIFFICULTIES OUR CHILD WELFARE PROGRAMS ARE ENCOUNTERING CANNOT BE ATTRIBUTED SIMPLY TO INCREASES IN ABUSE AND NEGLECT, THE SWELLING OF THE FOSTER CARE CASELOAD, ORGANIZATIONAL INERTIA, OR EVEN, AS MANY OF THE ADVOCATES WHOM YOU HAVE INVITED HERE TODAY WOULD HAVE IT: POOR PLANNING OR BUREAUCRATIC BUNGLING. TODAY'S CRISIS IN THE CHILD WELFARE ARENA IS, I BELIEVE, TIED IN LARGE MEASURE TO OUR FAILURE AS A SOCIETY TO DEAL EFFECTIVELY WITH THE LARGER ISSUE OF POVERTY -- THE LACK OF JOBS AND OF AN EFFECTIVE EDUCATION SYSTEM, INSUFFICIENT FUNDS FOR NECESSITIES SUCH AS FOOD AND CLOTHING, AND LACK OF DECENT AFFORDABLE HOUSING. ALL OF THESE FACTORS PLACE STRAINS ON FAMILY RELATIONSHIPS THAT CREATE A CLIMATE OF DESPAIR, FRUSTRATION, AND ANGER; FACTORS THAT TOO OFTEN PUSH FAMILIES TO THE BREAKING POINT.

IT IS ALSO TIED, I THINK, TO CHANGING SOCIAL MORES CONCERNING THE ROLE OF THE FAMILY, WOMEN IN THE WORKPLACE, AND THE BROAD SCALE FAILURE TO EFFECTIVELY COUNTER THE DRUG CULTURE.

SECOND, WHILE IT IS ENTIRELY UNDERSTANDABLE THAT TODAY'S FORUM INCLUDES PRIMARILY ADVOCATES FROM THE CHILD WELFARE COMMUNITY, I WISH YOU HAD INVITED MORE SPEAKERS FROM A BROADER RANGE OF SOCIAL WELFARE AGENCIES, AS WELL AS EDUCATORS, BUSINESS AND RELIGIOUS LEADERS, AND REPRESENTATIVES OF THOSE TRYING TO STEM THE FLOW OF DRUGS AND THOSE TRYING TO TREAT ITS RESULTS. I SAY THIS BECAUSE I BELIEVE OUR VARIOUS MISSIONS AND RESPONSIBILITIES ARE INTERTWINED AND OUR ABILITY TO ATTAIN OUR GOALS DEPENDENT ON THE SUCCESSES OF EACH OTHERS EFFORTS.

FOR EXAMPLE, THE INPUT OF THOSE WHO HAVE PRIMARY RESPONSIBILITY IN THE DRUG AREA WOULD HAVE BEEN ESPECIALLY RELEVANT TO TODAY'S HEARING, FOR IT IS THE GROWING EPIDEMIC OF DRUG ABUSE THAT IS LARGELY RESPONSIBLE FOR THE DRAMATIC INCREASE IN THE NUMBER OF CHILDREN WHO ARE FLOODING OUR OFFICES EACH DAY AND NIGHT. BETWEEN 1985 AND 1986, THE NUMBER OF REPORTS OF ABUSE AND NEGLECT INVOLVING DRUG ABUSING PARENTS WENT UP 51 PERCENT.

BEFORE I BEGIN TO DESCRIBE OUR FAMILY-ORIENTED AND CHILD WELFARE PROGRAMS, I THINK IT IMPORTANT TO PUT MY REMARKS IN THE CONTEXT OF ANOTHER HRA PROGRAM, PERHAPS THE MOST IMPORTANT -- PUBLIC ASSISTANCE. THE AID TO DEPENDENT CHILDREN (ADC) PROGRAM IS NOW THE MAIN SOURCE OF INCOME FOR 241,000 NEW YORK CITY FAMILIES INCLUDING 514,500 CHILDREN. AS SUCH IT HAS A POWERFUL HOLD OVER HOW THESE FAMILIES FUNCTION: WHERE THEY LIVE, WHAT THEY EAT AND WEAR. I BELIEVE THAT THE WELFARE SYSTEM AS IT EXISTS TODAY, AND AS IT MAY EXIST IN THE FUTURE, INCLUDING QUESTIONS OF APPROPRIATE BENEFIT LEVELS, WORK AND CHILD SUPPORT

REQUIREMENTS, AND SUPPORT SERVICES, IS A CRUCIAL INGREDIENT TO ANY RATIONAL DISCUSSION OF A COMPREHENSIVE STRATEGY TO MOVE FAMILIES FROM A STATE OF CONTINUED AND MULTI-GENERATIONAL DESPAIR AND DEPENDENCE TO ONE OF HOPE AND INDEPENDENCE.

FOR THIS REASON, I WELCOME THE CURRENT NATIONAL FOCUS ON WELFARE REFORM. IF HANDLED CORRECTLY, REFORM CAN RECAST THE WELFARE SYSTEM FROM A SYSTEM THAT PROMOTES A CONTINUATION OF POVERTY TO ONE THAT PROMOTES SELF-SUFFICIENCY. I KNOW, SENATOR MOYNIHAN, THAT THIS IS A GOAL THAT WE HAVE BOTH SHARED FOR MANY YEARS, AND I HOPE I HAVE THE OPPORTUNITY AT ANOTHER TIME TO TESTIFY ON IT IN GREATER DETAIL.

ALTHOUGH NEW YORK CITY AND HRA -- ALONG WITH THE REST OF THE NATION -- HAVE, OVER THE PAST YEAR, ONLY BEGUN TO FOCUS ON THIS ROUND OF THE WELFARE REFORM DEBATE, OUR EFFORTS TO ANALYZE THE WAY WE DELIVER SERVICES, TO DETERMINE WHETHER WE COULD REDUCE FRAGMENTATION AND DO OUR JOB IN A MORE COORDINATED WAY, IS AN ONGOING ONE. ITS MOST RECENT ITERATION CAME IN 1984 WHEN THE MAYOR APPOINTED THE TASK FORCE ON HUMAN SERVICES, TO EXAMINE HOW HRA SHOULD ORGANIZE ITSELF TO IMPROVE SERVICE DELIVERY. THE TASK FORCE GAVE US THE BROAD OUTLINES OF A SYSTEM THAT SHOULD HELP US TO BETTER SERVE FAMILIES IN NEED BEFORE A SERIOUS PROBLEM OCCURS, AS WELL AS IMPROVING OUR ABILITY TO RESPOND TO FAMILIES WHO DO FIND THEMSELVES IN CRISIS.

MULTI-SERVICE CENTERS/OFFICE OF FAMILY SERVICES

PERHAPS THE MOST IMPORTANT CONCEPT PROPOSED BY THE TASK FORCE WAS THAT OF THE MULTI-SERVICE CENTER. THIS WAS CERTAINLY NOT A NEW CONCEPT. I, MYSELF, HAD A HAND IN OPENING UP THE FIRST MULTI-SERVICE CENTER IN NEW YORK 20

YEARS AGO AND CAREFUL STUDENTS OF THE IDEA WILL RECOGNIZE THE SAME CONCEPTS EMBODIED IN THE IDEAS OF THE SETTLEMENT HOUSE MOVEMENT OF ALMOST A CENTURY AGO. NEVERTHELESS, THE BEATTIE COMMISSION, AS THE MAYOR'S TASK FORCE CAME TO BE KNOWN, DID REMIND US THAT THE KEY TO EFFECTIVE SERVICE DELIVERY IS AN UNDERSTANDING OF THE VARIOUS NEEDS OF THE CLIENT POPULATION SO THAT A PROGRAM CAN BE FASHIONED THAT EFFECTIVELY MEETS THOSE NEEDS. TAKING THESE ABSTRACT NOTIONS AND TURNING THEM INTO AN OPERATING PROGRAM IS THE MOST DIFFICULT PHASE UPON WHICH WE HAVE EMBARKED.

IN OCTOBER, WE OPENED OUR FIRST SUCH CENTER IN THE TREMONT SECTION OF THE BRONX, AND WE PLAN TO OPEN THREE OTHERS -- ONE EACH IN UPPER MANHATTAN, JAMAICA QUEENS, AND CENTRAL BROOKLYN -- DURING THE COMING SUMMER. EACH OF THESE CENTERS WILL OFFER ONE-STOP SHOPPING FOR A VARIETY OF SERVICES INCLUDING PUBLIC ASSISTANCE. BUT, EACH OF THEM IS LIKELY TO DELIVER SERVICES IN SOMEWHAT DIFFERENT WAYS DEPENDING ON THE NEEDS AND EXISTING RESOURCES OF THE COMMUNITY TO BE SERVED. EACH OF THESE CENTERS WILL ALLOW US TO TEST DIFFERENT CONFIGURATIONS OF SERVICES, DIFFERENT LEVELS OF COMMUNITY PARTICIPATION AND RESPONSIBILITY, AND DIFFERENT TARGETING AND OUTREACH STRATEGIES.

MY HOPE IS THAT OUR EXPERIENCE WITH THESE CENTERS WILL GIVE US INSIGHT INTO WHAT SERVICE MIX WILL HELP US TO ACHIEVE THE LONG-TERM GOAL I MENTIONED EARLIER: PROVIDING THE SUPPORT THAT WILL ENABLE FAMILIES TO MOVE FROM DEPENDENCE TO INDEPENDENCE.

WHILE DEVELOPING MORE EXPERIENCE WITH OUR MULTI-SERVICE CENTER EFFORT, WE WILL CONTINUE TO RELY ON OUR 44 OFFICE OF FAMILY SERVICE (OFS) SITES TO ASSIST FAMILIES WHO EITHER NEED HELP IN APPLYING FOR BENEFITS OR A REFERRAL TO DAY CARE OR SOME OTHER COMMUNITY-BASED PROGRAM. IN ADDITION TO ITS INFORMATION AND

REFERRAL RESPONSIBILITIES. OFS ALSO ADMINISTERS THE FAMILY HOMEMAKING PROGRAM, WHICH PROVIDES HOMEMAKING SERVICES IN CASES WHERE A CHILD IS AT RISK OF FOSTER CARE PLACEMENT DUE TO THE TEMPORARY ABSENCE OR DISABILITY OF THE CHILD'S PARENTS. THE GOAL OF THESE SERVICES IS TO STABILIZE A FAMILY BY TEACHING A PARENT HOW TO MANAGE A HOUSEHOLD.

ANOTHER VULNERABLE POPULATION THAT OFS SERVES IS PREGNANT AND PARENTING TEENAGERS. TEENAGE GIRLS ARE LESS LIKELY THAN OLDER WOMEN TO SEEK PRE-NATAL CARE, RESULTING, IN MANY CASES, IN LOW BIRTH WEIGHT AND LONG-TERM HEALTH PROBLEMS IN THE INFANT. YOUNG MOTHERS, WITHOUT ADEQUATE SUPPORT, ARE ALSO LIKELY TO DROP OUT OF SCHOOL, TO WIND UP WITHOUT JOB SKILLS AND ON WELFARE. WE WORK WITH THESE TEENAGERS TO DEVELOP A SERVICE PLAN AND LINK THEM WITH THE APPROPRIATE SERVICE SUPPORTS WITHIN HRA AND IN THE COMMUNITY. WE EXPECT TO INCREASE OUR FAMILY PLANNING PROGRAMS FOR TEENAGERS IN THE COMING YEAR.

THE OFS STAFF IS ALSO RESPONSIBLE FOR CARRYING OUT A NUMBER OF INNOVATIVE PROJECTS TO DETERMINE THE BEST WAYS TO HELP FAMILIES PREVENT THE LOSS OF HOUSING OR TO SERVE FAMILIES WHO HAVE MULTIPLE PROBLEMS.

SOME OF THE INTENSIVE SERVICE/EVICTION PREVENTION PROJECTS WE ARE UNDERTAKING THROUGH OFS INCLUDE:

o INSTITUTING A HOUSING COURT PROGRAM, IN COOPERATION WITH INCOME MAINTENANCE (IM), WHICH PLACES OFS SOCIAL WORKERS AND PUBLIC ASSISTANCE ELIGIBILITY WORKERS IN THE HOUSING COURTS WHERE THEY CAN INTERVENE, IF NEEDED, TO PROVIDE FINANCIAL SERVICES INFORMATION AND APPROVE, ON-SITE, REQUESTS FOR FINANCIAL ASSISTANCE.

o LAUNCHING THE HOUSING ALERT PROGRAM, ON A PILOT BASIS BEGINNING MAY 18, WHICH WILL PROVIDE SERVICES TO FAMILIES IDENTIFIED BY IM AS BEING AT RISK OF BECOMING HOMELESS.

o TWO DEMONSTRATION PROJECTS, ONE IN THE BRONX AND ONE IN BROOKLYN, EACH PROVIDING INTENSIVE SOCIAL SERVICES TO 50 MULTI-PROBLEM FAMILIES. THE IMMEDIATE GOAL OF THE PROJECTS IS TO LINK MULTI-PROBLEM FAMILIES WITH EFFECTIVE, ON-GOING SERVICES;

o A PILOT PROGRAM -- CASE ALERT -- TO IDENTIFY AND WORK WITH ELIGIBLE PUBLIC ASSISTANCE RECIPIENTS WHO REPEATEDLY LOSE BENEFITS BECAUSE THEY FAIL TO COMPLY WITH RECERTIFICATION AND OTHER ADMINISTRATIVE REQUIREMENTS.

HOMELESS FAMILIES

UNFORTUNATELY, FOR MANY OF THE FAMILIES WHO ARE ALREADY PART OF OUR FAMILY SHELTER SYSTEM, OUR NEW PROGRAMS TO PREVENT EVICTIONS WERE TOO LATE. OF COURSE, NO NUMBER OF EVICTION INTERVENTION PROGRAMS COULD REALLY HAVE FORESTALLED THE GROWTH IN HOMELESSNESS THAT HAS BEEN BROUGHT ON BY A CHRONIC AND GROWING SHORTAGE OF AFFORDABLE HOUSING FOR POOR FAMILIES.

THE SIZE OF THE HOMELESS FAMILY POPULATION IN NEW YORK CITY IS AN ALL TOO FAMILIAR AND DISTURBING STATISTIC: AS OF MARCH 1, 1987, THE HOMELESS FAMILY POPULATION HAD GROWN TO 4,781 FAMILIES, WITH 11,814 CHILDREN. TO SHELTER THESE FAMILIES TEMPORARILY, WE HAVE DEVELOPED A NETWORK OF DIRECTLY-OPERATED AND CONTRACTED FAMILY SHELTERS AND FAMILY CENTERS, AND WE USE 58 HOTELS. THE TOTAL PRICE TAG FOR OUR PROGRAM FOR THE HOMELESS IS $240 MILLION, OF WHICH $125

MILLION GOES TO THE FAMILY PROGRAM. ALMOST $100 MILLION OF THIS COST IS BORNE DIRECTLY BY THE TAXPAYERS OF THE CITY AND THE FEDERAL GOVERNMENT CONTRIBUTES ABOUT $62 MILLION.

IN ADDITION TO THE OBVIOUS GOAL OF PROVIDING SHELTER THAT IS CLEAN AND SAFE, THE SHELTER PROGRAM IS DEVELOPING A COMPREHENSIVE SOCIAL SERVICE COMPONENT WITH A DUAL MISSION: FIRST, TO PROVIDE SERVICES THAT SUPPORT FAMILIES WHILE THEY ARE LIVING IN CRAMPED, DIFFICULT CONDITIONS; AND SECOND, TO ASSIST FAMILIES TO LOCATE AND MOVE INTO PERMANENT HOUSING.

SERVICES PROVIDED TO HELP FAMILIES COPE MORE EFFECTIVELY IN THEIR ENVIRONMENT INCLUDE:

- o THE RECENT DEDICATION OF AN ADDITIONAL 200 DAY CARE SLOTS FOR HOMELESS CHILDREN, WHICH WILL BRING THE TOTAL NUMBER OF SLOTS AVAILABLE TO HOMELESS CHILDREN TO 1,000.

- o THE ESTABLISHMENT OF CLINICS AT LARGER LOCATIONS IN CONJUNCTION WITH THE HEALTH AND HOSPITALS CORPORATION AND THE DEPARTMENT OF HEALTH TO PROVIDE SPECIALIZED SERVICES FOR PREGNANT WOMEN AND NEWBORN CHILDREN, AND THE DEVELOPMENT OF A UNIVERSAL IMMUNIZATION PROGRAM FOR PRE-SCHOOL AGE CHILDREN.

- o A PILOT TO EXPERIMENT WITH REDUCED CASEWORKER TO CLIENT RATIOS IN SEVERAL HOTELS.

- o AND, AN INTENSIFICATION OF BOARD OF EDUCATION EFFORTS TO ENSURE THAT SCHOOL-AGE CHILDREN ARE ENROLLED IN AND ATTENDING SCHOOL.

- OUR INITIATIVES TO HELP FAMILIES LOCATE NEW HOUSING AND TO MOVE OUT OF EMERGENCY SHELTER INCLUDE:

  o THE INTRODUCTION OF HOUSING ADVISORS INTO THE LARGER HOTELS AND SHELTERS TO ASSIST FAMILIES TO LOCATE APARTMENTS;

  o THE EMERGENCY ASSISTANCE REHOUSING PROGRAM (EARP) THROUGH WHICH LANDLORDS ARE OFFERED A SUBSTANTIAL BONUS IN EXCHANGE FOR A 2 YEAR LEASE AT THE PUBLIC ASSISTANCE SHELTER RATE;

  o THE LEND-A-HAND PROGRAM WHICH ASSISTS HOMELESS PEOPLE WHO HAVE LOCATED PERMANENT HOUSING BY WORKING CLOSELY WITH THEM TO REMOVE FINANCIAL BARRIERS TO THE MOVE, SUCH AS A LACK OF FURNITURE OR RENT DEPOSIT MONEY. WE HAVE REDUCED MOVING TIME FROM A SHELTER FROM 30 DAYS TO SEVEN DAYS.

DAY CARE/HEAD START

TURNING TO OUR CHILD CARE PROGRAMS, I BELIEVE OUR USE OF DAY CARE SLOTS FOR CHILDREN LIVING IN HOTELS AND SHELTERS SHOWS THAT WE VIEW CHILD CARE AS BEING A CRUCIAL COMPONENT IN ANY EFFORT TO ENABLE FAMILIES TO ACHIEVE STABILITY AND TO ENABLE WELFARE MOTHERS TO BREAK THE DEPENDENCY CYCYLE. WE WILL CONTINUE TO WORK FOR A MORE EFFECTIVE INTEGRATION OF DAY CARE AND HEAD START PROGRAMS WITH OTHER HUMAN SERVICE PROGRAMS.

FOR EXAMPLE, OVER THE PAST SEVERAL YEARS, WE HAVE GREATLY EXPANDED THE NUMBER OF CHILDREN IN DAY CARE WHO ARE THERE BECAUSE OF FAMILY PROBLEMS. IN 1981, LESS

THAN 400 CHILDREN WERE RECEIVING DAY CARE AS A PROTECTIVE OR MANDATED PREVENTIVE SERVICE. IN THE FIRST SIX MONTHS OF THE CURRENT FISCAL YEAR, MORE THAN 1,600 CHILDREN RECEIVED DAY CARE FOR PREVENTIVE OR PROTECTIVE REASONS.

WE WILL ALSO BE MAKING MORE OF AN EFFORT IN THE FUTURE TO LINK DAY CARE SERVICES MORE CLOSELY TO THE NEEDS OF OUR FOSTER CARE SYSTEM. IN ORDER TO RECRUIT EMPLOYED PEOPLE AS FOSTER PARENTS, HRA HAS BEEN WORKING WITH THE STATE TO SECURE ADDITIONAL FUNDING SOURCES FOR DAY CARE FOR CHILDREN IN FOSTER CARE. AS A RESULT, WE HAVE BEGUN IMPLEMENTING A STATE ISSUED DIRECTIVE PERMITTING TITLE IV-E REIMBURSEMENT FOR DAY CARE SERVICES FOR CHILDREN IN FOSTER CARE.

AND FINALLY, IN ADDITION TO PROJECT GIANT STEP PROJECT -- OUR COOPERATIVE EFFORT WITH THE BOARD OF EDUCATION TO PROVIDE A PRE-SCHOOL EXPERIENCE TO THE CITY'S FOUR-YEAR-OLDS -- WE WILL BE MAKING MORE OF AN EFFORT IN GENERAL TO LINK OUR PROGRAMS WITH THOSE OF THE BOARD OF EDUCATION. I BELIEVE WE COULD WORK HARDER TO ENSURE THAT OUR DAY CARE CURRICULUM ANTICIPATES WHAT CHILDREN WILL BE EXPECTED TO KNOW WHEN THEY ENTER FIRST GRADE. FOR ITS PART, THERE IS MUCH THE BOARD OF EDUCATION COULD LEARN FROM OUR PROGRAMS SERVING MORE THAN 54,000 CHILDREN IN DAY CARE AND HEAD START ABOUT PARENT AND COMMUNITY INVOLVEMENT AND ITS IMPORTANCE IN THE LEARNING PROCESS.

CHILD WELFARE PROGRAMS

NOW THAT I HAVE DESCRIBED OUR PROGRAMS WHICH ASSIST FAMILIES WHO NEED HELP COPING WITH THE MORE GENERAL PROBLEMS AND STRAINS ASSOCIATED WITH POVERTY AND HOMELESSNESS, IT'S TIME TO TACKLE THE TRULY DISTRESSING ISSUE OF WHAT WE DO WHEN PARENTS CANNOT ADEQUATELY CARE FOR THEIR CHILDREN.

NEW YORK CITY'S PROTECTIVE SERVICE PROGRAM, THE ENTRY POINT FOR MOST CHILDREN INTO THE CHILD WELFARE SYSTEM IS AT AN IMPORTANT JUNCTURE: THE SYSTEM IS, I BELIEVE, AT A POINT WHERE WE CAN BE CONFIDENT THAT WE ARE MORE THAN MEETING MANDATED REQUIREMENTS TO RESPOND TO REPORTS OF ABUSE AND NEGLECT. THIS IS NO SMALL ACCOMPLISHMENT SINCE NEW YORK CITY EXPERIENCED A 15 PERCENT INCREASE IN SUCH REPORTS BETWEEN 1985 AND 1986, WHEN THE NUMBER OF REPORTS CLIMBED FROM 36,000 TO 42,000. AND, WE PROJECT A SIMILAR INCREASE THIS YEAR. NEVERTHELESS, WHILE I WOULD READILY ACKNOWLEDGE THAT THE SYSTEM HAS STILL A LONG WAY TO GO, WE HAVE WORKED HARD TO REDUCE OUR CASELOADS, DEAL WITH PAPERWORK, SHORTEN OUR RESPONSE TIME TO REPORTS OF ABUSE AND NEGLECT, AND IMPROVE OUR TRAINING OF WORKERS AND MANAGERS TO MEET THE GROWING DEMAND FOR SERVICE. I SHOULD POINT OUT THAT IN MY OPINION OUR PROTECTIVE SERVICE CASEWORKERS ARE AMONG THE UNSUNG HEROS OF OUR TIME, AND WE WILL CONTINUE TO DO ALL WE CAN TO IMPROVE THE CONDITIONS OF EMPLOYMENT FOR THIS GROUP OF INDIVIDUALS WHO HAVE SUCH AN EXTRAORDINARY COMPLEX AND THANKLESS JOB.

THERE IS NO ONE REASON FOR THE INCREASE IN REPORTS OF ABUSE AND NEGLECT. WE BELIEVE THE PUBLIC'S GREATER AWARENESS OF THIS ISSUE, THE INCREASE IN POVERTY, AND MOST ESPECIALLY, THE TRAGIC EXPLOSION IN DRUG USE HAVE ALL PLAYED A ROLE IN THE REPORTING OF CASES AND THE ACTUAL INCIDENCE OF CHILD MALTREATMENT.

WE HAVE ALSO WHOLEHEARTEDLY ENDORSED THE CONCEPT OF PREVENTIVE SERVICES AND ARE WORKING HARD TO PROVIDE THE KINDS OF SERVICES THAT HELP PARENTS AND CHILDREN STAY TOGETHER. THIS YEAR WE HAVE INCREASED OUR SERVICE LEVEL TO ABOUT 15,000 FAMILIES WITH A BUDGET OF $47 MILLION AND A NETWORK OF 116 COMMUNITY-BASED ORGANIZATIONS. OUR DIRECTLY-OPERATED PROGRAMS AND OUR CONTRACT AGENCIES PROVIDE FAMILIES WITH SERVICES TO KEEP CHILDREN OUT OF FOSTER CARE OR, IF THEY HAVE BEEN PLACED, TO ACCELERATE THEIR RETURN HOME. SERVICES PROVIDED INCLUDE

COUNSELING, PARENT TRAINING, DAY CARE, ADVOCACY, AND ACCESS TO HOMEMAKER SERVICES.

OUR EXPANDED USE OF PREVENTIVE SERVICES ACCELERATED A DOWNWARD TREND IN OUR FOSTER CARE CASELOAD THAT BEGAN IN 1978, WHEN THE NUMBER OF CHILDREN IN CARE PEAKED AT 25,400. IN SPITE OF ANNUAL INCREASES IN THE NUMBER OF ABUSE AND NEGLECT ALLEGATIONS, PREVENTIVE SERVICES HELPED ALLOW US TO REDUCE THE FOSTER CARE POPULATION TO 16,500 CHILDREN IN 1985. TODAY, UNFORTUNATELY, WE ARE AT 17,500 AND CLIMBING, DUE IN LARGE PART TO AN INCREASE IN CASES OF ABUSE AND NEGLECT.

JUST AS THERE IS NO ONE REASON FOR THE INCREASE IN ABUSE AND NEGLECT REPORTING, THERE IS, OF COURSE, MORE THAN ONE REASON FOR THE SHORTAGE OF FOSTER CARE HOMES NEW YORK CITY IS EXPERIENCING TODAY: THESE FACTORS INCLUDE THE RISING NUMBERS OF CHILDREN COMING INTO THE SYSTEM BECAUSE OF ABUSE AND NEGLECT, ESPECIALLY RELATED TO THE INCREASE IN DRUG USE AMONG YOUNG MOTHERS, THE DECLINE IN FAMILIES WISHING TO TAKE IN FOSTER CHILDREN, AND THE REQUIREMENT THAT CONTRACT AGENCIES SHIFT FROM A DOWNWARD SPIRAL TO ONE REQUIRING INCREASED SERVICE LEVELS WITH AN OFTEN MORE DIFFICULT TO SERVE POPULATION.

WHILE THESE FACTORS HAVE HAMPERED OUR ABILITY TO SERVE THE FOSTER CARE POPULATION AS A WHOLE, THEY HAVE MADE IT DOUBLY HARD FOR US TO SERVE THE MANY INFANTS WHO ARE COMING INTO OUR SYSTEM NIGHTLY OR WHO ARE REMAINING IN HOSPITALS BECAUSE APPROPRIATE PLACEMENTS ARE NOT AVAILABLE.

AT THE BEGINNING OF APRIL, MORE THAN 200 INFANTS -- KNOWN AS "BOARDER BABIES" -- WERE STILL WAITING IN HOSPITALS FOR FOSTER PARENTS, ALTHOUGH THEY NO LONGER HAVE A MEDICAL NEED FOR HOSPITALIZATION. WE HAVE DOUBLED OUR PLACEMENTS INTO

FOSTER HOMES OF THESE CHILDREN IN THE LAST SEVEN MONTHS. UNFORTUNATELY, HOWEVER, THE NUMBER OF INFANTS AWAITING PLACEMENT HAS CONTINUED TO INCREASE, BECAUSE THE NUMBER OF CHILDREN REFERRED FOR PLACEMENT ON A MONTHLY BASIS HAS OUTPACED THE NUMBER OF BEDS AVAILABLE. IN MARCH 1987, FOR EXAMPLE, WHILE WE WERE ABLE TO PLACE 80 HOSPITALIZED INFANTS IN FOSTER HOMES, ANOTHER 100 INFANTS CAME INTO CARE.

IN RESPONSE TO THIS CRITICAL PROBLEM, WE HAVE DEVELOPED A COMPREHENSIVE PLAN THAT SHOULD HELP US TO MOVE BABIES OUT OF THE HOSPITAL WITHIN REASONABLE TIME FRAMES BY LATE-FALL. THE GOALS OF THE EFFORT INCLUDE RETURNING TO THEIR PARENTS ALL BABIES WHO CAN GO HOME, OR PLACING BABIES IN FOSTER CARE WITHIN SEVEN DAYS OF MEDICAL DISCHARGE, AND THE DEVELOPMENT OF ADEQUATE FACILITIES FOR BABIES WITH SEVERE MEDICAL/DEVELOPMENTAL PROBLEMS.

I HAVE BROUGHT A SUMMARY OF THE PLAN SO YOU CAN SEE THE THOUGHT AND EFFORT THAT HAS GONE INTO IT. IN SUMMARY, WE PLAN TO DEAL WITH THIS PROBLEM, AND FOSTER CARE NEEDS IN GENERAL THROUGH A COMBINATION OF:

1) ENHANCED AND MORE COORDINATED PREVENTIVE SERVICES;

2) MORE FOCUSED ORGANIZATIONAL INITIATIVES SUCH AS ESTABLISHING SPECIALIZED HOSPITAL UNITS TO ENSURE MORE TIMELY INVESTIGATIONS ON CHILDREN IN HOSPITALS, SPEEDING UP THE HOME STUDY PROCESS; AND

3) INCREASING THE POOL OF FOSTER PARENTS BY A MORE FOCUSED INFORMATION CAMPAIGN, PROVIDING INCREASED DAY CARE AND BABYSITTING SUPPORT, AND A HIGHER STIPEND RATE STRUCTURE.

ONE UNFORTUNATE SIDE EFFECT OF OUR INTENSE FOCUS ON DEVELOPING NEW FOSTER CARE OPTIONS FOR INFANTS AND OUR EFFORTS TO COPE WITH THE RISING NUMBER OF REPORTS COMING INTO PROTECTIVE SERVICES IS THAT OUR EFFORTS TO LOCATE PERMANENT HOMES FOR CHILDREN AVAILABLE FOR ADOPTION HAVE SUFFERED. SINCE JULY 1, WE HAVE FOUND ADOPTIVE HOMES FOR ONLY 650 CHILDREN, AND IT LOOKS AS IF WE MAY FALL SHORT OF OUR GOAL OF MORE THAN 1,200 PLACEMENTS BY THE END OF OUR FISCAL YEAR JUNE 30TH. MOST OF THE CHILDREN NOW IN CARE ARE OLDER AND MORE DIFFICULT TO PLACE. I ASSURE YOU THAT WE WILL MAKE EVERY EFFORT TO FIND HOMES FOR THESE CHILDREN OVER THE NEXT YEAR.

WHAT WE NEED FROM THE FEDERAL GOVERNMENT

ADEQUATE FINANCIAL SUPPORT FOR SERVICES THAT STRENGTHEN FAMILIES AND HELP KEEP THEM TOGETHER IS A RESPONSIBILITY SHARED BY ALL LEVELS OF GOVERNMENT. I BELIEVE NEW YORK CITY AND NEW YORK STATE HAVE LIVED UP TO THEIR RESPONSIBILTIES. NOW WE ASK THAT THE FEDERAL GOVERNMENT DO THE SAME.

THE LANDMARK ADOPTION ASSISTANCE AND CHILD WELFARE ACT OF 1980, P.L. 96-272, ENVISIONED A SYSTEMATIC CHILD WELFARE PROGRAM CONTAINING A FULL RANGE OF SERVICES TAILORED TO MEET THE INDIVIDUAL NEEDS OF VULNERABLE CHILDREN AND THEIR FAMILIES. IN ADOPTING IT, CONGRESS RECOGNIZED THAT ITS PROVISIONS HAD A REAL PRICE TAG. THUS, IMPLEMENTATION OF ITS PROVISIONS WAS TIED TO FUNDING INCREASES IN THE TITLE IV-B CHILD WELFARE SERVICE PROGRAM AND INCREASES IN THE TITLE XX SOCIAL SERVICES BLOCK GRANT SO STATES AND LOCALITIES COULD IMPLEMENT NEW PROTECTIONS, PROCEDURES, REQUIREMENTS, AND SUPPORT SERVICES. HOWEVER, THE PASSAGE OF THE OMNIBUS BUDGET RECONCILIATION ACT IN 1981, REDUCED FEDERAL FUNDS AVAILABLE TO THE CITY FOR CHILD WELFARE PROGRAMS DRAMATICALLY. EVEN WORSE, WITH

REGARD TO TITLE XX PROGRAMS. IT PUT MANDATORY PROGRAMS IN COMPETITION FOR THE SAME FUNDS AS NON-MANDATORY SUPPORTIVE SERVICES SUCH AS DAY CARE. THE RESULT HAS BEEN A MAJOR SHORTFALL IN FEDERAL FUNDING TO SUPPORT THE ACT'S NOBLE PURPOSE.

CHILD WELFARE SERVICES THAT SHOULD RECEIVE MORE GENEROUS FEDERAL SUPPORT INCLUDE:

o TITLE XX DAY CARE SERVICES, WHICH SHOULD BE MORE AVAILABLE TO FOSTER PARENTS, MOTHERS SUFFERING FROM STRESS, AND PARENTS ENROLLED IN EDUCATION AND TRAINING PROGRAMS;

o THE EXPANSION OF TITLE IV-E TO CREATE A SPECIAL FOSTER CARE PROGRAM FOR TEEN-AGE GIRLS WITH CHILDREN OF THEIR OWN, WHICH WOULD MEAN THAT ONE, NOT TWO, FOSTER HOMES WOULD BE NECESSARY, AND THE GIRL AND HER CHILD WOULD BE ABLE TO FORM AND MAINTAIN A STABLE RELATIONSHIP;

o SERVICES TO HELP CHILDREN AGED 18 TO 21 YEARS MAKE THE TRANSITION TO INDEPENDENT LIVING AND AWAY FROM WELFARE DEPENDENCY (THE CURRENT PROGRAM IS PART OF THE TITLE IV-E FOSTER CARE PROGRAM, AND ITS PROGRAMS AND SERVICES ARE NOT AVAILABLE TO THOSE OVER 18);

o DEVELOPMENT OF A FEDERAL CAMPAIGN TO AID LOCALITIES IN THEIR DRIVE TO RECRUIT NEW FOSTER PARENTS; AND

o ADDITIONAL FUNDING FOR THE TRAINING AND RECRUITMENT OF NEW CHILD CARE WORKERS WHO MUST DEAL WITH ALL OF THE TRADITIONAL PROBLEMS

ASSOCIATED WITH CHILD WELFARE AS WELL AS TODAY'S CONCERN WITH AIDS AND THE CRACK EPIDEMIC.

I WOULD ALSO LIKE TO POINT OUT THAT ALTHOUGH 10 MONTHS HAVE PASSED SINCE THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) WAS LEGALLY REQUIRED TO PUBLISH FINAL REGULATIONS ON THE NEWLY ENACTED TITLE IV-E INDEPENDENT LIVING PROGRAM FOR FOSTER CARE TEENS, P.L. 99-272, NO FEDERAL GUIDANCE HAS BEEN OFFERED TO STATES. NOR HAVE ANY OF THE FUNDS BEEN RELEASED ALTHOUGH MORE THAN HALF OF THE STATES HAVE SUBMITTED PROGRAM PLANS TO THE HHS SECRETARY. IN JANUARY, 1987 THE ADMINISTRATION REQUESTED THAT THIS PROGRAM BE RESCINDED AS PART OF THE PRESIDENT'S BUDGET PROPOSAL. WITHOUT THE SERVICES TO BE PROVIDED IN THIS PROGRAM, YOUNG PEOPLE ARE "AGING OUT" OF THE FOSTER CARE PROGRAM ILL PREPARED TO PERFORM THE BASIC DAILY LIVING SKILLS NECESSARY TO ASSURE SELF-SUFFICIENCY. I HOPE THAT IMMEDIATE ACTION WILL BE TAKEN TO ASSURE THAT THIS IMPORTANT PROGRAM IS NOT RESCINDED AND THAT THE $45 MILLION APPROPRIATED BY CONGRESS IS RELEASED TO STATES TO IMPLEMENT IT.

AS I NOTED IN THE BEGINNING OF MY TESTIMONY, MANY OF THE SERVICES THAT ARE REQUIRED TO RETURN A FAMILY TO STABILITY DO NOT FALL WITHIN THE PURVIEW OF CHILD WELFARE PROGRAMS. YOU CANNOT, FOR EXAMPLE, STRENGTHEN A FAMILY THROUGH COUNSELING ALONE IF ITS OVERRIDING PROBLEM HAPPENS TO BE SUBSTANDARD HOUSING. THESE NON-CHILD WELFARE ISSUES ARE PERHAPS THE MOST INTRACTABLE AND THEIR RESOLUTION IS EXPENSIVE AS WELL AS DIFFICULT.

AMONG THE INITIATIVES NOT TRADITIONALLY SEEN AS CHILD-WELFARE RELATED, BUT FOR WHICH WE ADVOCATE FOR MORE FEDERAL INTERVENTION ARE:

o A NEW FEDERAL EMPHASIS ON LOW-INCOME HOUSING;

O FEDERAL LEADERSHIP IN THE CREATION AND FUNDING OF NEW TREATMENT AND RESIDENTIAL FACILITIES FOR DRUG ADDICTS WITH YOUNG CHILDREN; AND

O ADDITIONAL FUNDING FOR EXISTING TRAINING AND JOB DEVELOPMENT PROGRAMS THAT WOULD OFFER TROUBLED LOW-INCOME FAMILIES HOPE FOR A BETTER TOMORROW.

CONCLUSION

THE NEED FOR EXPANDED AND COMPREHENSIVE PROGRAMS FOR FAMILIES AT OR NEAR THE BREAKING POINT HAS NEVER BEEN GREATER. THE FACTORS WHICH SPUR THE INCREASING DEMAND FOR FOSTER CARE SUCH AS DRUG AND CRACK DEPENDENCY, SHOW NO SIGNS OF ABATEMENT. HRA HAS MADE MAJOR PROGRESS IN DEVELOPING NEW PROGRAMS TO ACCOMMODATE CHANGING DEMANDS. I WOULD LIKE TO EXTEND AN OPEN INVITATION TO YOU TO CALL UPON US WHEN YOU HAVE ANY QUESTIONS OR SUGGESTIONS WHICH MAY HELP ADDRESS THE PROBLEMS OF POVERTY AND ITS DEBILITATING EFFECTS. IN THIS IMPORTANT AREA INVOLVING CHILDREN AND FAMILIES, I AM CONFIDENT THAT A RENEWED FEDERAL COMMITMENT WOULD GO A LONG WAY TO ENHANCE OUR EFFECTIVENESS.

WELFARE REFORM HEARINGS IN NEW YORK CITY

MONDAY, JUNE 15, 1987

U.S. SENATE,
COMMITTEE ON FINANCE,
SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY,
New York, NY.

The committee was convened, pursuant to notice, at 9:35 a.m. in the Ceremonial Courtroom, United States Court of International Trade, One Federal Plaza, New York, NY, the Honorable Daniel Patrick Moynihan (chairman) presiding.

Present: Senator Moynihan.

Also present: Mr. Thomas Cusick, chief of staff to the president of the city council.

[The press release announcing the hearing and the prepared written statement of Senator Moynihan follow:]

[Press Release No. H-49]

SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY TO HOLD SECOND FIELD HEARING IN NEW YORK CITY ON WELFARE REFORM

WASHINGTON, DC.—Senator Daniel Patrick Moynihan (D., N.Y.), Chairman of the Subcommittee on Social Security and Family Policy of the Senate Finance Committee announced Wednesday that the Subcommittee will hold its second New York City field hearing on welfare reform.

The hearing is scheduled for Monday June 15, 1987 at 9:30 A.M. in the Ceremonial Courtroom, United States Court of International Trade, One Federal Plaza, New York, New York.

Senator Moynihan stated that the Subcommittee will continue in this hearing to seek information on how the welfare system can best be reformed or replaced. The Subcommittee expects to receive testimony on a broad range of issues related to the design of a welfare system including child support enforcement, employment, education, and training services, benefit adequacy, and intergovernmental responsibilities for social services.

Senator Moynihan stated that testimony at this hearing would be received from invited witnesses only. A list of witnesses will be announced at a later date.

Family Security Act of 1987

Statement by
Senator Daniel Patrick Moynihan
Chairman

U.S. Senate Committee on Finance
Subcommittee on Social Security and Family Policy
"Welfare: Reform or Replacement?"
Court of International Trade
One Federal Plaza
New York, NY

Monday, June 15, 1987

In two weeks, I will introduce the Family Security Act of 1987. This legislation will rewrite Title IV of the Social Security Act and will replace the Aid to Families with Dependent Children (AFDC) program with a new national system of child support.

This bill, which I hope will have strong bipartisan support on the Finance Committee, turns the present family welfare system on its head. Rather than beginning with a public assistance payment that is supplemented with sporadic child support payments and occasional earned income, the bill places the responsibility for supporting children where it belongs, with parents. Both parents.

Absent Fathers

Absent parents, fathers 90% of the time, must provide financial support for their children. Even a young man, who may not be earning much income, must understand that his obligation to support any child he fathers endures for at least 18 years. Such a young man may have little or no income at the beginning; but over time he is likely to increase his earnings. Our legislation will seek to insure that he shares that income with his children.

Unemployed Mothers

Mothers, the custodial parents in most single-parent families, must try to earn income, at least part time, to help support their children. The statistics are a stark testament to the need. 72% of all mothers with children between the ages of 6 and 18 are in the labor force. Over half of all mothers with children under age 3 are in the labor force.

By contrast, fewer than 5% of AFDC mothers are working part or full time. Our most recent data for New York State indicate that only 3.3% of AFDC mothers are working full or part-time. In New York City, of some 231,000 families receiving AFDC assistance (both single-parent and two-parent households), only 6,000 (or 2.5%) of the adults are working full or part-time.

As a nation, we find a 7% unemployment rate barely tolerable. What then are we to think of a system that keeps 95% of poor mothers unemployed and out of the labor force? Our legislation will provide states with a stable funding source and the flexibility to design programs to promote independence through work, training, and schooling for these parents. In addition, the bill would provide federal funds to assist states in providing Medicaid coverage and child care for a temporary period of time after recipients leave the public assistance caseload to accept jobs.

Improving Child Support Enforcement

Even as we strive to help these mothers overcome their enforced unemployment, we must redouble our efforts to establish and enforce child support awards.

Nationwide, in 1986, child support collections were made in 16.3% of AFDC cases; in New York State child support collections were made in only 11.8% of the cases. Nationwide, 8.6% of AFDC payments were recovered through child support collections; in New York State only 4.3% of AFDC payments were recovered. Nationwide, in FY 1986, 247,899 families (6.6% of the caseload) were able to leave the AFDC rolls because of increased child support collections; in New York 5,771 families (or only 1.6% of the caseload) received enough in child support to leave the welfare caseload.

Surely we can do better.

Paternity Determinations

Key to the success of collecting child support payments is the timely establishment of paternity. States are not doing an adequate job. Complicating their task is the fact that we do not now collect the data necessary to know how many cases require paternity determinations. Still, we do know that of the 8.7 million women raising children alone, only 58% have court orders for child support. Forty-two percent do not and many of those require paternity determinations before court orders can be established.

In order to improve child support collections, we must increase paternity determinations. Toward that end, our legislation will require states to collect Social Security Numbers from both parents at the time of a child's birth and will establish, for the first time, state performance standards for ~~paternity~~ determinations.

At present, only five states, including New York, collect Social Security Numbers from parents at the time of a child's birth. In our state, New York City is exempt from this requirement. However, in the balance of the state, in 1986, I am told that 97% of all mothers' numbers and 84% of all fathers' numbers were successfully collected.

Federal, state and local officials agree that a Social Security Number is the single most effective tool for enforcing child support orders. Collecting the number from the father at the time of birth is a presumptive determination of paternity. Should the child require child support in the future, the Social Security Number will assist in locating the absent parent in order to enforce the child support collection.

There is no immediate consequence if a state fails to collect Social Security Numbers from parents at the time of childbirth. However, our bill also establishes state performance standards for paternity determinations. States failing to improve their paternity determinations for households requiring child support enforcement services will face federal financial penalties.

State Guidelines for Child Support Awards

Aside from doing a better job with paternity determinations, we must also improve the methods by which we set and collect child support awards. Toward this end, the Family Security Act will require states to use state-developed guidelines, in the form of rebuttable presumptions, for setting child support awards. Commissioner Perales will, I hope, share with us how New York's proposed standard would work.

At present, I understand that the proposal is awaiting action by the New York State Legislature. I would urge state legislators to move as quickly as possible on this important issue. Our most recent calculations indicate that 61% of children born today will live in a single-parent family before reaching age 18. In New York State, there were 251,000 children born in 1984. Of these, roughly 153,000 will live in a single-parent family before reaching maturity. Most of these children will require child support. We must act now to improve the prospects for these children.

Child Support Supplements

When parental income -- from child support payments and earnings -- still fails to meet a family's essential needs, a publicly funded Child Support Supplement (CSS) will provide additional assistance to all poor children, whether they live with one or both parents, so long as the families meet the state-determined income and eligibility standards.

State Innovations

Finally, my bill will permit states to apply for waiver authority to experiment with new and potentially more effective methods of delivering benefits to low-income families. In the last seven years, a number of states have moved ahead on their own. The creativity and success thus far documented are heartening.

In Masschusetts, Governor Dukakis's Employment and Training Choices (ET) program has been successful in moving people from AFDC into unsubsidized employment. For every person who leaves the welfare rolls through ET, the state reports savings of nearly $8,000 in AFDC, food stamps and Medicaid.

California's education, job training, and job placement program, Greater Avenues for Independence (GAIN), currently being tested in nine counties, will become a state-wide program serving over 200,000 AFDC recipients by 1990. GAIN employs a written contract outlining the obligations of both the participants and the state agency.

In New Jersey, Governor Kean intends that REACH, Realizing Economic Achievement, enroll all able-bodied welfare recipients, including those with children as young as 2 years old. In testimony before this Subcommittee last February, Governor Kean pointed out that New Jersey will be creating 600,000 new jobs in the next decade and needs skilled workers to fill them.

Through its Work Incentive (WIN) program, WIN Demonstration Project, and the new Comprehensive Employment Program (CEP), New York State is placing its welfare recipients into jobs and realizing long-term savings. According to a 1987 report to the governor and legislature from the Departments of Social Services and Labor, nearly 54,000 public assistance recipients found jobs in 1986, with an associated cost savings of some $30 million per month.

Innovative programs such as these offer us real hope that we can improve the lot of the poor. Indeed, we must do better for the sake of our children. The American birthrate dropped below the replacement level 15 years ago. Although it will be some time before the present rates bring an actual population decline, and although immigration will have an offsetting effect, the plain fact is that America has no children to waste.

I welcome the testimony of our distinguished witnesses this morning. I hope they will share with us their efforts to date and their future plans for: improving child support, employing those poor mothers who have been unable to break into the labor force as have their middle class counterparts, finding permanent housing for homeless families, and finding families for homeless infants.

FAMILY SECURITY ACT OF 1987

Brief Summary

CHILD SUPPORT

Uniform State Guidelines

Absent parents, usually fathers, must systematically contribute their income to their children. Toward this end, my bill will require that states begin using state-developed uniform guidelines (in the form of rebuttable presumptions) for setting child support awards. Both the state's guidelines and the awards will have to be periodically reviewed and adjusted.

Automatic Wage Withholding

At the same time, states will be required to implement automatic, mandatory wage withholding. As soon as the child support award is determined, the state agency or the court will notify the employer of the child support owed and that amount will be routinely withheld from the absent parent's salary. Just as we withhold federal and state income taxes and social security payroll taxes, we will now withhold parental support obligations. ~~As with all such systems, there will be~~ exceptions. States will use their discretion in exempting households from this new withholding system when necessary.

Establishing Paternity

Establishing paternity is a prerequisite for collecting child support payments from fathers. At present, most states do a very poor job of establishing paternity for female-headed families requiring child support payments. My bill will require that states collect Social Security Numbers from parents at the time of a child's birth and, for the first time, establish state performance standards for paternity determinations. If states fail to improve paternity determinations for families requiring child support services, they risk federal financial penalties. In addition, my bill will provide additional federal financial support to states for the costs associated with laboratory tests used for establishing paternity.

Improving Interstate Administration

My legislation proposes a number of administrative improvements that will enable states to work better with each other in establishing child support orders, locating absent parents, and enforcing the collection of awards. Improved interstate cooperation is critical when as many as 30% of a state's absent fathers may live across state borders.

JOB OPPORTUNITIES AND BASIC SKILLS (JOBS) PROGRAM

Flexibility in Program Design

The nation's governors have asked for flexibility in designing state programs to help poor parents make the transition from welfare rolls to payrolls. My legislation will give the governors precisely what they are seeking.

My bill would set up a stable federal funding source to help states finance their programs. States would be free to offer a variety of education, training, and work activities -- including Job Search activities, Community Work Experience Programs (CWEP), and Work Supplementation programs.

Social Contract

States would have the option of relying on agency-recipient contracts that outline both the obligations of

JOBS participants and the obligations of the state agencies administering the program.

Program Participation

States will control the size of the JOBS program and the number of participants. All recipients of Child Support Supplements, with certain exceptions, could be required to participate at state direction, but my bill would require states to concentrate their efforts on certain "priority" recipients. This will be accomplished by requiring states to spend 60% of their JOBS funds on "priority" recipients.

Long-term dependents, including those who have been receiving benefits for a long time, those who receive benefits on and off over a long period of time, and very young mothers who have dropped out of school, would be included in the group to receive priority attention. At least one parent in a two-parent family would also be required to participate in the JOBS program. Failure to participate in the JOBS program, when required to do so will result in benefit reductions.

Young recipients who have not yet completed their high school educations, if required to participate in the JOBS program, would first be required to complete their schooling.

Supportive Services

If recipients are to undertake work, training, or schooling, they will need child care services. My bill will assist the states in financing child care for JOBS participants.

In addition, my bill would provide federal funds to assist states in providing Medicaid coverage and child care for a temporary period of time when CSS recipients leave the program to accept jobs. We have heard too often from governors and state and local officials that a welfare recipient's inability to afford health care insurance and child care prevent such individuals from accepting low-wage jobs.

The Family Security Act will not, by itself, solve the problem of insufficient affordable child care. Nor will it provide health-care coverage to the 30 million Americans now left uninsured. But the legislation will provide some much needed assistance. We should do more and one day, budget willing, we will.

CHILD SUPPORT SUPPLEMENT

Strengthening Families

The Family Security Act will require that single minor parents live at home with their parents or in an adult-supervised living arrangement as a condition of eligibility for CSS benefits.

My bill will also extend CSS payments to all children, whether they live with one or both parents. We speak often of strengthening two-parent families. Yet, in half the states we persist in denying assistance to poor children simply because these children live with both their parents. It is time to end this perverse discrimination against poor two-parent families.

DEMONSTRATION PROJECTS AND WAIVER AUTHORITY

My legislation will permit a number of small demonstration projects, including several of special interest to New York: One will permit New York State to test its "Child Support Supplement Demonstration Program."

The second will allow several states to use Emergency Assistance funds for rehabilitating or building permanent housing for homeless families receiving public assistance payments. Congressman Schumer and I introduced such legislation in the 99th Congress and I am pleased to be able to include this proposal as a demonstration project in the Family Security Act.

Third, I propose that additional federal funds be made available to localities, like New York City, confronting the heart-rending phenomenon known as "boarder babies."

In addition to these and other small demonstration projects, the Family Security Act will also permit governors to apply to the federal government for broader waiver authority to experiment with different methods of delivering benefits and services to low-income families. The Administration is seeking such waiver authority and, within some clear limits, I agree that we should give states some freedom to experiment. It is, after all, from the states that all of the interesting innovations have recently sprung.

Experiments granted under these waivers will last for only five years, will be rigorously designed and evaluated, and may include a limited number of federally subsidized public assistance programs.

Senator **Moynihan**. A very pleasant good morning on a warm June day in New York. I would like to begin this hearing of the Subcommittee on Social Security and Family Policy of the Committee on Finance of the United States Senate. This is the second of a series of hearings that we are holding in New York, and there will be others elsewhere, that focus on the efforts we have undertaken in the course of this Congress to rewrite the nation's legislation which provides support for children and their custodial parents who have, for one reason or another, found themselves without income.

The existing law on this subject dates back to the Social Security Act of 1935. I wish to thank Senator Wagner of New York and the House of Representatives, although it was actually the Finance Committee which obtained that jurisdiction.

Having a moment here before we go on, I would like to note that the reason the Finance Committee has jurisdiction over the Social Security Act, the most important of all social legislation. At the time in 1935, the Supreme Court was continuously declaring unconstitutional the legislation that the Roosevelt Administration would send up.

And Frances Perkins of New York was desperately wondering how could she possibly get a Social Security bill that would not be declared unconstitutional, and in her wondrous way, she asked Chief Justice Stone at a social reception one afternoon how could she possibly—she, poor little Frances Perkins—ever get the big, mean Supreme Court to agree to something. And Stone leaned down and whispered, "The taxing power, my dear, the taxing power." And this meant that the Congress has the power to lay down and collect taxes, and that is how Social Security is funded.

And that is why it is in fact, in the Finance Committee. It was not in fact Robert Wagner's legislation that passed, but a Ways and Means Committee member over on the House side; and the bill just came over and went straight to our Finance Committee.

A half century after that legislation was Title IV, the Aid to Dependent Children, later the Aid to Families with Dependent Children. We find ourselves now in a situation we never really anticipated, and one we still don't fully comprehend. What began as a widows' pension in 1935 has become a source of support for an extraordinary proportion of American children who aren't orphaned in any sense, who are nevertheless in situations where they depend upon public assistance.

We were able to show a few years ago that, at the rate the program had been developing, 32 percent of American children would be on AFDC before they reach the age of 18. Of all children born today, a majority will spend some time in a female-headed family before they reach age 18; only 39 percent will reach maturity having lived their lives with both natural parents. And this has brought us to the further anomalous and—I think Mr. Stein and I agree—ominous situation in which the poor children have become the poorest group in our society. And not just a few, but many.

And in certain subgroups in some areas, most. In no place in our country is this condition so pronounced, so endemic and systemic and seemingly incapable of change from within and resistant to change from without than in New York City.

New York City has three quarters of a million persons on welfare. As the Mayor will testify when he gets here—which he will do shortly—13 percent of the children in New York City live on welfare. Forty percent of the children in the city are living below the poverty line; and there never has been a time in the city when the children were so systematically and specifically the worse-off group in the population. History won't let us get away with this.

History hasn't let us get away with this. This condition began in the 1950s. We could begin to sense it. We did nothing about it, and you have seen the results. We are now one generation into this crisis, and it has become an urban crisis. It has divided the city in a way before it has never been divided, and I cannot think of a time in the history of the city when the division of wealth and social class was as pronounced and ominous as it is now.

I think my good friend, Andrew Stein, agrees with me in this regard. He was courteous enough to provide the facilities of City Hall for our first hearing. Now, we are in the Federal Plaza on this occasion. Mr. Scully is much involved with the budget negotiations of the city just now and can't be with us, but his able associate and my good friend, Tom Cusick is here.

I wonder, Tom, if we might ask you for any comments you would like to make?

I have a statement which I would like to have placed in the record at this point.

Mr. Cusick?

STATEMENT OF THOMAS CUSICK, CHIEF OF STAFF TO THE PRESIDENT OF THE CITY COUNCIL, NEW YORK, NY

Mr. Cusick. Thank you, Senator. I, too, have a statement on behalf of Mr. Stein, who until the very wee hours of the morning—which actually weren't so wee; they got up to the number five almost—was negotiating a final budget agreement. We did reach agreement at about 4:30 this morning and announce that a little before 5. There are some rough edges that we are working on, but as a matter of fact, that is why Mr. Stein is not able to be here immediately. It is possible that he will be able to drop in a little bit later on.

I, too, would like to have the Council President's remarks read into the record—not read into the record—put into the record, Senator. We very much appreciate sharing these hearings with you and look forward to following it up.

Senator Moynihan. Thank you very much, Tom Cusick. And now, right on schedule, we are to begin these formal hearings with His Honor, the Mayor of New York, and he will be accompanied by Mr. William Grinker, the Commissioner of the Human Resources Administration of the city of New York.

Mr. Mayor, we welcome you. We know that you were up at 5:00 as well, but you had a few hours sleep and now you are with us. That is an admirable trait and an envied one. We have your statement, Mr. Mayor, which we can include in the record if you like, and you can proceed with your summary of it. I hope you will take a little time because I have read the things you have mentioned, and it is an extraordinarily important statement, as far as this committee is concerned. We ask you to now proceed as you wish.

STATEMENT OF HON. EDWARD I. KOCH, MAYOR, CITY OF NEW YORK, NEW YORK, NY

Mayor KOCH. Thank you very much, Senator. I do appreciate that you and the President of the City Council decided to hold these hearings and give us the opportunity to discuss what, for America, has to be one of its top priorities: What do we do about the state of the poor and particularly those poor who are on welfare in an ever continuing cycle? We have heard it for so many years. We don't seem to be able to break the cycle of a family on welfare with their descendents growing up on welfare, and setting up their own apartments, having their own children, and remaining on welfare which it is devastating to the individual. It is devastating to the family, and it is devastating to the country.

And yet, with all of our understanding of how devastating it is, we have not been able to find a solution. I want to just parenthetically say that I was in the Congress where, in H.R. 1, which was your brainchild, and which was an extraordinary attempt to reform the welfare system—I don't know how many years ago that was—what was it, 15 or 16 years ago?

Senator MOYNIHAN. More than that, I guess; 18 years ago.

Mayor KOCH. 18 years ago. It is incredible how fast time passes. If that had been enacted with a national benefit standard, I believe that the situation that we are in today would be totally changed. I remember voting for it and being attacked—I might say viciously—in the sense that we are talking about it, by those on the right and those on the left.

Those on the left said the national standard at that time, $2,400, was far too low, they wanted $6,500; and if you didn't vote for $6,500, you were a traitor to America. And then there were those on the right who said if you voted a nickel, you were a traitor to America. As a result of the importunings of what I can only describe as the ideologs on the left and the ideologs on the right, while we passed it in the House, we failed in the Senate, welfare reform died and never recurred in the many years hence.

That is why today I just want to pay deference to you for your vision and foresight there. But we are now where we are, and therefore, we have to take a fresh look at what we should do.

We know that people are out there, who in our judgment, given an opportunity, want to work. They are not stupid. They want to work if you can show them the distinction between what the benefits of their work will be compared to welfare. If the financial benefits of being on welfare are equal to or better than working at the minimum wage without the additional benefits that they get from being on welfare—foremost I think would be the medical care under Medicaid—well, then it is understandable that in such a case people will say—particularly a woman with children—"you want me to give up medical coverage for my kids for a salary check which doesn't give me net much more than the actual cash benefits that I get? And would actually be a net loss to me because I then also have to pay my own medical care since Medicaid would be denied to me?"

You don't have to have a master's degree to understand that it doesn't add up. Therefore, there has to be a change in our thinking as to how we will encourage people to get off the welfare rolls and to come on to the employment rolls and to do it in a way that makes sense.

Now, we believe that welfare reform has to do three things. It has to help the individual enter the labor market. It has to strengthen the educational system. And it has to support the family.

I want to tell you, if I may, what we are doing in New York City. Bill Grinker has more of the details, but I have some of them, and I would like to just broadly sketch them.

In New York City, we have a program which was started in November of 1985; and I must tell you I take great pride in it because I am the one who pressed it and pushed it and harried the commissioners and the deputy commissioners with regular notes on what it is that we are doing, and why aren't we doing more, and what are the roadblocks, and how can we get the program running. I pushed to have rules which require those on welfare who are adults and who are physically and mentally capable of working—and these would be mainly women who are single heads of families—that they actually accept a job, basically in city services, and that they consider their welfare check a salary check.

We had to work with the State—and Cesar Perales is here—developing a program that was acceptable to them, as well as to us; there were lots of negotiations, and we did it stage by stage.

I want to tell you what the successes of the program are because we have some really good successes even in dealing with welfare programs. If you put your mind to it, you can have successes. So, I would like to mention them.

We began the employment opportunities program, as I said, in November of 1985. And of the 227,000 AFDC families in New York City, 70,000 were deemed employable; and of those, 36,000 are now working. So, that means 36,000 adults—heads of families, women—are working or in training or in job search; and the balance are still to be scheduled for an employment assessment or are being sanctioned.

We have sanctions as it relates to: if you are offered a job and you don't take it, then we take you off the welfare rolls. We don't take the kids off the welfare rolls, but we take the adult off the welfare rolls.

Bill can give you the numbers and so forth, but that program actually does cause people to reconsider and to stay on the employment roll that we have put them on.

Now, we are announcing a new program which will actually come before the Board of Estimate. It requires their support and vote, and that will come up on Thursday of this week, I guess, where we will be requiring all contractors at HRA (Human Resources Administration) doing at least $250,000 a year in contracts to hire one public assistance recipient for each $250,000 in value of their contracts. There are about $750 million in contracts that would be involved; and if the program works completely, there would be about 3,000 jobs when the program is fully implemented, all in the private sector. The failure of a contractor to comply with that provision of the contract would result in a sanction of $7,000 a year for each $250,000 increment of their contract.

So, there is a sanction. Now, getting welfare recipients to work has costs. You need transportation allowances and daycare allowances so that women with small children can attend the training programs that I mentioned or go to work.

Now, what we are suggesting as it relates to changes on a Federal level—and it is just one change—to encourage people to stay on the employment programs or to make that leap and get off the welfare rolls and get on to the employment program is to provide that continued Medicaid service be available to ease the transition from welfare to work.

Let me conclude with just a couple of other items that are peripheral, but important nevertheless.

The bill before the Congress, H.R. 1720, which in effect is a bill to provide for comparable programs—hopefully, even better—but work-related programs, originally that bill authorized $11.8 billion for a five-year period. The authorized level has already been reduced in the bill. It hasn't even become a bill that has been passed or legislation that has been enacted, but even the proposed amount now has been reduced in that same five-year period from $11.8 billion to $5.2 billion, or roughly $1 billion a year. That cannot possibly do the job nationwide.

This is foolish, and if you go into a situation like that, you are doomed to failure; and then we will be blaming ourselves, and everybody will say 10 years from now, why didn't we do the right thing?

I think, Senator, in addition to commending your bill, S. 37, which would use AFDC emergency assistance and special needs payments, now restricted to temporary shelter, to provide permanent shelter and housing for homeless families, I want to thank you for taking the initiative and to tell you that whatever it is we can do to help you in getting that legislation, we will do to help. Thank you.

Senator MOYNIHAN. Mr. Mayor, we thank you. I think Mr. Grinker has testimony which will be put in the record. I wonder if Mr. Cusick and I could ask just a few questions of you. First of all, I would say we will be putting in a bill on the Senate side on June 30. We are trying to get a bipartisan bill. The problem of money is a real one; the House responded to the reality that there isn't that much around. On the other hand, if we do something, it will be the first time we have taken this issue up in 18 years.

There is a chance, partly because the governors have made this their foremost issue, and we are trying to find a program in which the most important issue—as you said—is to redefine this program. This program began as a widows' pension. And as Blanche Bernstein, whom you appointed as one of Mr. Grinker's successors, has written very vividly and explicitly, it has persisted as such. The Government has persisted in insisting that it is a widows' program, that there is no absent parent, that there is no work opportunity nor should there be, and that it is a punitive thing to expect work from persons who have had enough trouble fall on their lives already.

That goes back to another era, another social era all together. We would like to redefine it in several terms. One interest is in employment. It was the practice to describe efforts to find work for AFDC parents as punitive; but instead of saying we are asking them to work, what if we started thinking of them as unemployed? 72 percent of married women with children work, and nationwide 4.9 percent of AFDC mothers work. They are the most conspicuously unemployed body; you can't define another group in the country with levels of unemployment running at 95 percent.

That is a very interesting proposition you have, to start asking HRA contractors to hire public assistance recipients. I think you would be hesitant to move outside HRA until you can do it inside HRA. But the actual numbers of AFDC recipients with jobs in the city continues to be actually very low. Isn't that right, Mr. Mayor?

Mayor KOCH. I think the figures that we gave you——

Senator MOYNIHAN. Well, those include training and job search and——

Mayor KOCH. Exactly.

Commissioner GRINKER. The number that are working?

Senator MOYNIHAN. Yes.

Commissioner GRINKER. 5,000 AFDC recipients are working.

Senator MOYNIHAN. Of 231,000, Mr. Mayor, 5,000.

Commissioner GRINKER. Obviously, there are also many recipients enrolled in work expericence programs. I was just talking about those recipients who are working at the same time they are receiving welfare. There are many other recipients who are in work experience, workfare, and job search programs. Hopefully, once those participating in work related activities are placed in jobs, through the efforts of the State Department of Labor and other contractors, they will come off the welfare rolls. So, it is misleading to use only the number of persons who are currently employed. The key thing is how many persons are preparing themselves to come off welfare.

Senator MOYNIHAN. How many cases do you turn over in a year? How many people do leave?

Commissioner GRINKER. The turnover, I think, is about 50,000 cases a year. Now not all of those individuals are leaving the rolls because they found work. Obviously, some leave to get married; some leave for other reasons. We can't track every recipient's reason for leaving, but we know there is a considerable turnover every year. Our current AFDC caseload numbers 240,000 households, including 725,000 persons. Over a 3-year period, we serve about 360,000 different families.

Mayor KOCH. If I could just comment on your basic question?

Senator MOYNIHAN. Yes.

Mayor KOCH. About the ideology and philosophy involved on the part of those who resist requiring people to perceive the benefit check as a salary check. I perceive it as a salary check; and we are subject to a whole host of restrictions which boggle my personal feelings on the matter. I will tell you what some of them are.

So many times when I have discussed this kind of work program, I would be attacked by, not prejoratively, but people who are, as I perceive it, philosophically in a niche that maybe was acceptable 20 or 30 years ago, but is not acceptable today. This is not a situation where the Government should turn its back and say that anybody that wants to be on welfare instead of working, even if they come on welfare because of a need, that we should make no efforts to get them off welfare. If you do, then somehow you are a barbarian.

This has come up in the following way. When I would press these programs, I was told: You can only have these programs—and with these State regulations. I am not intending to get into battle with the State, but I think there is somewhat of a difference of philosophy on our part. We can discuss if things should be changed, or keep them as they are. I would say we want to get these people working in our agencies. There are lots of things to be done. We will give them a work habit that will get them into the real world; that you have to go to work on time and you have to do things, and they will quickly work to get a job in the private sector.

One of the restrictions—and I think we are still working on it, but I will leave that to Bill to say—is that the job had to have a goal. It wasn't just the simple fact that you had a job. It had to have a goal. Maybe the goal was that, instead of working at minimum wage, you were going to be working at more than minimum wage.

From my point of view, the key was to get people who are physically, emotionally, and mentally able to work, to actually work. Those recipients will get off that $3.35 per hour minimum, if they are capable, very quickly. If they are not so capable, less quickly; but they will get off that $3.35 wage level. Maybe some of them will always be at $3.35; there are people who work at the minimum wage. It is no crime to suggest that there are people in the private sector today—not just those who are on welfare who are working at the minimum wage. We ought to be raising the minimum wage and I think that will be done. So, that was number one.

Our city agencies had to commit that a percentage of the people that they took—in my head, I have a recollection that Janet Sainer, the Commissioner of the Department for the Aging said, "I am going to have trouble because I am told that 40 percent of the people I take have to ultimately end up with jobs that are permanent. I assume that means in the private sector." She said: I don't know if I can do it; but she took it on anyway. My thought was: Why restrict her? Thank God that she has the initiative to find jobs for these people. That was one example—and there are others but I don't have them in my mind—of restrictions that we had to live under and still have to live under.

Then there was a second restriction, which I think really applies in the same way; and that was the unions. The unions said—and they got this into law so this was not negotiable—you have to allocate to this person the salary that was being paid by the city to someone who is on the city payroll; and if we were paying someone on the city payroll $6.00 or $8.00, whatever it happens to be, that that was the amount that had to be allocated as representing the welfare check. Instead of it being at $3.35 an hour, as we had perceived it for a certain number of hours, if you are working in this agency, you have to get credit for $6.00 an hour or $8.00 an hour, even though you are not getting the physical check other than your regular maintenance check and, therefore, you have to work fewer hours.

So, you would have welfare people working in government fewer hours than others because the salary check was less for the person on the payroll. Am I being clear?

Senator MOYNIHAN. You are being clear.

Commissioner GRINKER. That was the case a few years ago.

Mayor KOCH. A few years ago? That has been changed. All right. I am glad it has been changed. I will tell you that when it existed, it was terrible; and you can't fight the people who put up these obstacles. You have this obstacle, and fortunately we got rid of that obstacle. There are a lot of other obstacles. What I am trying to convey is—and maybe this is out of frustration, having had only three hours of sleep—is that instead of getting broad support to get people working so they themselves would want to ultimately get into the private sector by that work ethic that you get from working, we encounter great resistance--governmental resistance, and others as well.

Senator MOYNIHAN. Then you would perhaps not disagree that this program does need to be redefined?

Mayor KOCH. Sure.

Senator MOYNIHAN. Of the many things that have changed in a half century, as to the labor force, nothing is so striking as the entry of women into the labor force as a normal life experience. Yet we continue to keep the AFDC mothers separated, isolated. And if the isolation isn't quite so conspicuous in a small town in Wisconsin, it is staggering in a city such as ours.

Mayor KOCH. Yes.

Senator MOYNIHAN. You told me that 30 percent of your children are living on welfare, and they are living next to other children on welfare; and these should be seen as deprived of the normal opportunities to be part of the larger economic life in the city that other women enjoy. The Government has made it hard for you, hasn't it?

Mayor KOCH. Exactly so. I mean, the thrust of what I am saying and the examples I may give you are flawed, but it is the attitude.

Senator MOYNIHAN. Yes.

Mayor KOCH. And the way you have couched it is the best way to couch it, but somehow or other we have said that with this particular population we have to put in roadblocks in the sense of paternalism. The paternalists say there are so many problems that we can't work out. If that is so, why should we make it so easy? Why shouldn't we make somebody work, which is going back to what you said earlier?

Senator MOYNIHAN. This is the power, if I may suggest it, of the original definition of a program as a widows' pension; it still hangs in there a half century later.

One other thing you touched on, and Mr. Grinker testified on when Mr. Stein and I were in City Hall a month ago, is child support. If it is a widow's pension, there is no support to be gotten. But 50 years later, only two percent of the female parents are widows; in 98 percent of cases, there is a man somewhere, and we don't find him. You have said for a long time that news on the child support front is bad.

You pick up $38 million, which is something, but that represents only about three percent of your costs.

Mayor **Koch**. Right.

Senator **Moynihan**. How can we help you there?

Mayor **Koch**. First, we are very happy that we are meeting the State goal, because there are penalties when you don't meet the State goal. And while we say to you that when we collect $38 million from missing fathers that we are proud of it; we are also not so proud of it because, as we point out in my statement, it represents only three percent of the total AFDC costs. With your help, we hope to get legislation that will get the Social Security numbers of the parents.

Senator **Moynihan**. That is routine elsewhere, but you got caught in the Privacy Act, didn't you, for some reason?

Mayor **Koch**. Yes.

Senator **Moynihan**. Probably nobody remembers, but New York City is the only jurisdiction in the State that doesn't routinely collect Social Security numbers of parents. We will get that legislation for you, but New York City does not do this.

You know, the performance in this regard shows that the efforts are quite varied. I mean, there are States such as Alabama and Arkansas with 23 percent of the AFDC cases having child support. In New York State, it is only 11.8 percent. Now, what is the difference between these states and New York? Obviously, it is some level of effort, isn't it?

I don't want to keep you, Mr. Mayor, because I know you are pressed for time, but we asked Mr. Baker last year about the problems of child support because we want to start out with the assumption that anybody who has children has the responsibility to support them until they are age 18.

It is a statement of citizenship. It is a statement of what society expects of its adults and what it will do for its children. We won't get away letting 40 percent of the children in New York City grow up in poverty. We asked the HRA who doesn't help and who does help, but here are some of the organizations that don't help: Consolidated Edison, the United States Postal Service, the Department of Sanitation, the New York City Health and Hospitals Corporation, the New York Telephone Company, the Board of Education, and the New York City Transit Authority.

What is the matter with them?

Mayor **Koch**. Bill says he has a response to that.

Commissioner **Grinker**. As I indicated the last time, these were agencies that were having difficulty in terms of getting a rapid turnaround in their responses; and as a result of our discussions, we went back and have now, I think, worked out with all of those agencies techniques so that we can in fact make sure that we get a rapid response when we ask for their help in making a collection.

Senator **Moynihan**. You know that in Wisconsin they are beginning an effort in which, first of all, child support payments are just automatically deducted from the salary according to a schedule. New York State is trying to get legislation like that—and Mr. Perales is going to talk to us about that. The child support system in this State and in this city is just medieval, is it not? I mean, not just for welfare families but for single parents generally? Wouldn't you say, Mr. Mayor, that the single mother with children is in great difficulty in normal circumstances?

Commissioner GRINKER. I would like to say, Senator, that I think we are making a major effort here in terms of child support. I know that we are not doing as well as States like Alabama in terms of these kinds of issues, but this is primarily because it is much more difficult to locate people in this city and to get to their employers.

I think that there is a different level of effort that is probably necessary in a major city, and a different range of resources necessary in a major city such as New York, than there is in a rural place such as Alabama.

Senator MOYNIHAN. And may I also suggest—and then I want to ask Mr. Cusick if he has some thoughts on the subject—that, yes, it is a bit more complicated, but at some level the issue of will comes in. Do you think this ought to happen?

Connecticut gets child support payment in 39.7 percent of its cases.

Mayor KOCH. Let me add something, if I may, Senator?

Senator MOYNIHAN. Yes.

Mayor KOCH. Again, I am not able to have the details of it. I read the numbers that come across my desk, and I make inquiries when something catches my attention, and I pursue it. I remembered one case where I was told that the courts were not very helpful—family court. You have judges who simply refuse to give support orders. And then you have different court systems in the different counties. And I remembered, and Herb Rosenzweig gave me the answer that it is getting better. Any time someone says it is getting better, it means "it ain't good."

Senator MOYNIHAN. Yes.

Mayor KOCH. But I remember how angry I was. How could a judge refuse a support order? I mean, the husband is working. It is a philosophy. Now, we ultimately, I am told, are doing better because we now have administrative tribunals on this instead of the judges; but it is another indication of the philosophical resistance that exists in this area.

Senator MOYNIHAN. If it is a widows' program, why are you looking for child support? Or if you have a certain doctrine, you are interrupting a family process that was dissolved of its own nature and ought not to be the subject of external interference. That might be the case if you had 10 such families, but when you have a quarter of a million and it becomes a social condition as against an individual experience, things just have to be different.

I think we see very much accord in this. You do know that getting the actual administration on the ground to do it is very difficult.

Mayor KOCH. Yes, but if anybody can make such a program work, it is Bill Grinker. He told me that.

Senator MOYNIHAN. He told you that?

Mayor KOCH. Yes. That was his specialty when I brought him into this administration.

Senator MOYNIHAN. Why would anybody want this job? He said: I can make it work.

Mayor KOCH. And I believed him.

Commissioner **Grinker**. I would say on the child support issue that we are looking for several amendments to current legislation. Technically, I think these amendments would help us immeasurably with the courts and elsewhere. An immediate payroll deduction when a support order is established would be of tremendous help.

Senator **Moynihan**. You are in favor of payroll deduction?

Commissioner **Grinker**. Yes, and automatic updating of court orders.

Senator **Moynihan**. There, you speak for the masses.

Commissioner **Grinker**. And mandatory guidelines——

Senator **Moynihan**. Mandatory guidelines are before the State legislatures. The governors have proposed them. Mr. Perales is going to testify that legislatures are not moving as much as we would hope, but perhaps the city's representatives could play a role in that. I mean, you have three-quarters of the issue; it is not just a welfare issue; it is a women's and children's issue.

Commissioner **Grinker**. You are absolutely right, and these are things that have to get done for us to really make the system more efficient.

Senator **Moynihan**. It is not a minority experience. The majority of American children will live in a single-parent family before they are 18; and of those, the majority will be in a female headed family. We are not going to get away with having this go on another generation, or I don't think we are. Mr. Cusick?

Mr. **Cusick**. Thank you, Senator. Commissioner, with regard to the HRA jobs initiative, how are these 3,000 recipients going to be chosen? And have plans been made for daycare for the children of these recipients?

Commissioner **Grinker**. For that particular project, we will have a special unit within our employment opportunities department which will screen potential applicants and match them to the job needs as specified by the contract. In other words, we will give the contractor an opportunity to say this is the kind of employee that they could use, and we will allow that employer to select one. Does that answer your question?

Mr. **Cusick**. Yes, it does. And with regard to daycare, have plans been made for the children of those recipients?

Commissioner **Grinker**. Currently, we have an allowance, a daycare allowance; and that daycare allowance would apply to these employees, as well as any others. We also want to more effectively integrate our existing daycare program, which is primarily for poor working families into our employment program, so that when a recipient is placed in a job, we can assure that existing daycare efforts are available to support that person.

We must also keep in mind that if future programs require participation by parents younger than those now participating in current work-related activities, the expansion of existing day care programs becomes all the more crucial.

Mr. **Cusick**. May I ask just one additional question?

Senator **Moynihan**. Please.

Mr. **Cusick**. I don't know if it is doable, but I have made this suggestion on other occasions. When you have a city the size of New York City—7.5 million people—we find it frustrating that when we want to make changes, we are not allowed to do them. It is the State only that can further our request; and if the State does not, we can't even get a hearing at the Federal level. I believe that if we are tougher as it relates to programs in trying to get it done, without being prejorative in any way—and we know everybody has a different way of looking at these things—(a) because that is the position of the City of New York and (b) because we believe it is in the best interests of the family, the city, the State, or the country, we ought to at least be able in the best of all worlds to have the direct link with the Feds and say this is our demonstration program. This is what we would like to do because we have had programs that we have submitted to the State. If they don't like them, we don't have a chance in the world.

We would like that opportunity (a) to deal directly with the Feds or, if we cannot get that, and if the State won't further our request to the Feds, that we be given an opportunity to say the State is opposed to it, but we would still like you to listen to it. We don't get that opportunity.

Senator MOYNIHAN. That is a nice point, and I have a comment, but we don't want to keep you, Mr. Mayor. The first is that when you say deal with the Feds, it is important that there is no place in the Federal Government where you really have a high-energy, high-moral organization that is going to do something about this problem. It is depressed, it is diffused, it is sunk into the system.

As my associates on the staff of the Committee on Finance know, if we have a hearing on tax policy, by golly, the Assistant Secretary of the Treasury for Tax Policy shows up and has got three on four bright young people with him. And he knows exactly what the law is and how they would want it changed and why they wouldn't want it changed. If it is trade policy, the same thing applies. If it is Medicare, it is the same thing. When it comes to social welfare and public assistance, there is nobody.

The nice old ladies who used to just deny there was a problem because it was called protecting the good name of the client—they have all gone away. The Children's Bureau hardly exists any more. You can't find it on the Government Manual organization table of Health and Human Services, and that is something we hope to change.

The second thing I would say is that we find there are possibilities. List about 13 programs and ask to cash those programs and see if we can do something with the proposal. We are very much of the view that your point about going to Washington directly could certainly be heard.

For a long time, the social welfare doctors said you can't trust the States. I think in the decade of the 1980s they would say you can't trust the Federal Government. It is in the States where the energetic efforts are occurring, and we want to give States that opportunity. And we hope it is specifically for the sort of efforts that Mr. Grinker has described.

Mayor KOCH. What we are saying is that we want to have an opportunity, that if we apply for a waiver to the State, that it be forwarded on to the Feds. If we have an opportunity, and if the State says no, to argue it in Washington.

Senator MOYNIHAN. I remember in the Navy, if you applied for a transfer, the captain had to forward your application even though he disapproved it.

Commissioner GRINKER. I would like to go beyond that, Senator, and say that what I think the legislation needs is much more flexibility, so that states and localities, can generally develop and try new initiatives. As you have indicated, there is no leadership now within the Administration in Washington to do things. We want to do things. I would like an opportunity to experiment without all kinds of restrictions.

Senator MOYNIHAN. And you do understand that, as you are given more opportunity, you are going to be held more to account?

Mayor KOCH. Sure.

Senator MOYNIHAN. Of course, if they always say no to you, they can't complain about what the levels of performance are. May I ask you this one question? Is either of you aware of anybody in Washington coming here and saying why aren't you doing more? Why aren't you doing better?

Commissioner GRINKER. I am not even aware of anybody in Washington.

Senator MOYNIHAN. There you are. Thank you very much.

Mayor KOCH. Thank you, Senator.

Commissioner GRINKER. Thank you.

Senator MOYNIHAN. Now, to explain why the State of New York is so difficult to deal with, we have the very distinguished Commissioner of the Department of Social Services, The Honorable Cesar A. Perales. We welcome you to this hearing. It is a great courtesy of you to make your way down here. You have been a member of our councils in trying to draft this legislation from the beginning, but I don't think I have ever told you this story.

In 1956, in Albany there used to be—and still are—three professional commissioners, the Commissioner of Health, the Commissioner of Mental Hygiene, and the Commissioner of Welfare. We had some very distinguished men as Commissioners of Health and Mental Hygiene and we proposed to raise their pay some $3,000 or so—an extraordinary amount. The then Commissioner of Social Welfare, a very fine man, came around and almost in anguish said: I know that welfare is no longer a major social issue, but these posts have always been seen as equivalent and had the same level of compensation. I would hate in this last job of my career to be the one who saw us downgraded in this way.

And indeed, even at that moment, the present situation was developing; very few foresaw it and very few have been able to deal with it. We welcome you, sir; and Mr. Cusick, I am sure you will want to welcome the commissioner. Please proceed.

Commissioner PERALES. Thank you, sir. I am pleased to be here this morning.

STATEMENT OF HON. CESAR A. PERALES, COMMISSIONER, NEW YORK STATE DEPARTMENT OF SOCIAL SERVICES, ALBANY, NY

Commissioner PERALES. Let me begin by briefly talking about a special effort that was undertaken last year by the Governor's Task Force on Poverty and Welfare Reform. And this, I think, will provide the context for a more detailed discussion of some of the specific issues that I think must be addressed in any comprehensive view of welfare reform.

I would then like to offer you an idea of the programs we have developed, the directions we would like to take, and the challenges that we face. As you are aware, last year Governor Cuomo appointed a task force of nationally recognized experts to examine the issues of poverty and welfare reform.

The task force's report entitled "A New Social Contract" was completed and delivered to the Governor last December. I know that you are familiar with its findings, as you took testimony in January from a member who served with me on that task force.

Senator MOYNIHAN. Yes.

Commissioner PERALES. The report's basic premises are that the first line of defense against poverty is maintaining a healthy full employment economy, that we must invest in our labor force to increase the level of worker skills, and that changing patterns of family structure and work behavior call for a reexamination of public assistance and related programs.

Some of these we have undertaken in New York; others remain to be put in place or brought to fruition. For many of these, we need the active support and cooperation of the Federal Government. Together, they constitute the texture of a reformed welfare system. Let me start with employment and training.

Something of a revolution has taken place in the public welfare field in recent years, with the objective shifting from maintenance of the poor to helping them achieve self-sufficiency. We view our clients as unemployed, as you stated earlier, rather than as long-term dependents. That has put our client programs at the forefront of what we do.

In 1984 we created the Comprehensive Employment Program. The Mayor described its success in New York City. And under that program, all of our local social services district bear primary responsibility for employment and training services for public assistance recipients. Using WIN demonstration authority, we have unified leadership at the State level and have translated this down the line into continuing improvements in our success rates.

We have been the Nation's largest user of grant diversion and the nation's largest user of the targetted job tax credit, and we are getting results. Last year, our local social services districts and their allied agencies reported a total of nearly 54,000 unsubsidized jobs secured by public assistance recipients. We continue to move forward, using case management techniques to deliver individually tailored services to jobless clients who have traditionally been considered hard to serve and who have unfortunately been underserved or ignored in the past.

Recognizing the special needs of pregnant and parenting teenagers, New York has begun a series of case management projects for this population under our Teenage Services Act of 1984. Beyond basic assistance, especially adequate medical care, special attention is paid to helping the teenager obtain a high school degree and encouraging responsible family planning as keys to avoiding long-term dependency.

Using what we have learned from these pilot projects, we will implement this program State-wide by the beginning of next year. That is, that by the beginning of next year, every teenager who heads an AFDC case will not just receive a check and food stamps but will have a special worker and will be the subject of a case management effort.

Senator **MOYNIHAN**. Every one?

Commissioner **PERALES**. By the beginning of next year, each of our districts must move in that direction under State statutes and regulations that I will be issuing over the next several months. Another of New York's innovations targets mothers of young children, a group who tend to stay the longest on welfare, but who again have been traditionally ignored by the welfare employment system. Earlier this year, we established nine programs throughout the State called Comprehensive Employment Opportunity Support Centers, or CEOSCs. These centers, operated by public agencies and nonprofit organizations, provide a unique mix of education, vocational supportive, and job placement services, a type of one-stop shopping.

These programs are purely voluntary to women with children under the age of six. Our nine demonstration programs will serve approximately 3,500 clients in this initial year of operation. On the basis of our experience with these and other programs, we call for an employment and training bill embracing a full range of activities, from assessment and planning to educational activities, skills training, and finally placement. Child care and transportation must not be treated as ancillary services, but must be supportive on the same basis as other activities.

We need a clear delineation of administrative responsibility for welfare employment programs. Public assistance recipients are our only clients in the Department of Social Services, and the task of helping them qualify for and find employment is our primary mission. The full responsibility for coordinating services must reside unambiguously in one place, and that place should be a public welfare agency.

I note with some concern that the various bills which have already been introduced adopt different approaches on this point, and I urge you to be sensitive to the matter when you introduce your bill.

We also need to improve the transitional benefits for clients who have been helped toward independence. It does little good to provide extensive supports to the unemployed during training only to withdraw them once a job has been secured. New York State is providing nearly $25 million this year for daycare for the working poor and others who are not public assistance recipients. Clients must also be protected against the possible loss of health insurance coverage that they face when earnings make them ineligible for Medicaid and when employer health coverage is not available. In both areas, the Federal Government must recognize the need to provide either employer incentives or direct program expansion.

Finally, the Federal Government must provide fiscal support for programming along the lines I have discussed. It is the Federal Government, far more than the States, that benefits from investments that reduce welfare dependency, including the associated food stamp costs, by helping people become tax-paying, productive contributors to economic growth.

It is thus both necessary and appropriate that the Federal Government assume the greater share of the cost of employment and training programs, as WIN traditionally did.

We also desperately need immediate interim relief through a continuation of the WIN Program. When the final $110 million was appropriated for part of the current fiscal year, it netted New York $8.9 million. It was expected that comprehensive legislation would be in place by this time.

It is now clear that this will not occur for at least several months more. I urge you to exert your leadership to see that we have the means to continue our efforts, even as we labor together to forge a new and better Federal program.

Let me turn to child support, where current practices are only beginning to catch up with new social realities, as you have already pointed out. Changing family patterns make it necessary to reaffirm the obligation of parents to provide financial support for their children, even if the family is not living under one roof.

Using our Statewide Child Support Management Computer System, New York has put in place an automated income execution system that is proving ever more effective in recovering payments from absent parents. Essentially, the computer is first used for computer-to-computer matches of delinquent payers with State sources of employer information, such as the Department of Taxation and Finance and the Department of Labor. Once an income source is identified, that same computer will automatically send out the notice of income execution first to the support payer who can exercise his or her rights of due process. Then, if no valid defense is raised, an order is generated directed to the employer.

The only worker, or human, intervention required is reviewing evidence in defense of the income execution. Otherwise the system does the work.

As a result of this process, we conservatively estimate that we will received about 150 new income executions per week during the first year, resulting in 7,500 new income executions providing $14 million in child support collections in the first year. This project, now being implemented in New York City, will be extended to parts of upstate this summer and will be fully operational by the end of this calendar year. With this new system, as well as such tools as tax refund intercept, New York has been able to almost double its child support collections during the Cuomo Administration, from 157 million in 1982 to 285 million in the current year.

To ensure that support award amounts are adequate, Governor Cuomo has proposed to establish child support guidelines. While the child support formula currently contained in State regulations is effectively in compliance with Federal requirements, which followed the Federal Child Support Amendments of 1984, we are currently seeking State legislation which will make the guidelines truly meaningful.

Although our current formula is being used by State child support workers in petitioning for support, on behalf of their clients, it is not binding on judges or on hearing examiners. As a result, awards vary significantly from county to county and even within the same county from judge to judge.

Senator MOYNIHAN. Commissioner, just so the record will be clear, could you give us—if you have them—the specifics? Is the proposal that, if there is one child to be supported, the absent parent pays 15 percent of salary?

Commissioner PERALES. 17 percent.

Senator MOYNIHAN. 17 percent?

Commissioner PERALES. And for two children, it is 25 percent.

Senator MOYNIHAN. 25? And then it reaches up to 29?

Commissioner PERALES. 29 for three children and then on up.

Senator MOYNIHAN. So, there is a table?

Commissioner PERALES. Exactly.

Senator MOYNIHAN. And you just look it up?

Commissioner PERALES. Exactly, and if a judge were to vary, he would have to give reasons in the record as to why he has done so.

Senator MOYNIHAN. Yes. This is the presumption. This is the standard; the court can deviate from the standard, but the judge has to state why.

Commissioner PERALES. Exactly.

Senator MOYNIHAN. That is a wholly new practice, is it not?

Commissioner PERALES. It certainly would be in this State. As you indicated, it is in effect in Wisconsin.

Senator MOYNIHAN. Yes, just beginning.

Commissioner PERALES. Oh, just beginning.

Senator MOYNIHAN. But this is one of the many new things that we seem to agree about. You haven't got this through the legislature yet?

Commissioner PERALES. No. I remain optimistic, but it looks difficult. The session is rapidly drawing to a close, as you know. State legislators go home before the 4th of July; and so, we may not get it this year.

Senator MOYNIHAN. I didn't mean to interrupt you, but I wanted to get that on the record. You should get it this year.

Commissioner PERALES. Governor Cuomo has also proposed a wholly new child support supplement program which would combine—again this is a demonstration program that we would like to try—improved work incentives for custodial parents with reformed child support guidelines that we just discussed.

We think this program promises a far better way to improve the economic well-being of children by first placing reliance on the contributions of their parents with the State prepared to supplement these contributions where necessary.

We will need Federal authority to conduct this demonstration. I am happy to say that the House appears to be moving toward granting us legislative approval, and I hope that your bill will include the same authority for us.

We also need to give serious consideration to the notion that a newborn should not leave the maternity hospital without either a father's name on the birth certificate or the first steps toward establishing paternity. Beyond its fiscal impact, I believe that such a policy would serve to affirm notions of parental responsibility and induce corresponding changes in behavior. Sound Federal policy would establish positive fiscal incentives in support of a program to affirm the right of every child to know the identity of his or her father.

You have already discussed with the Mayor the question of the Social Security number. Let me tell you that we feel it is extremely important that we change the law that is currently binding in New York City.

Senator **Moynihan**. Now, that is our responsibility. If we don't do it, we can't very well ask why they don't perform better here.

Commissioner **Perales**. I think it is absolutely necessary if we are going to make any difference in New York City in the long run. Let me now move on to the subject of housing and the homeless. The phenomenon of homelessness is perhaps the most dramatic manifestation of the failure of recent Federal policy. We in the welfare system have been forced to deal as best we can with this failure.

But despite our best efforts and the initiatives undertaken by New York and other States to fill the void left by the absence of a sound Federal housing program, it is clear that we are dealing with second-best solutions.

And homelessness is not confined to our major cities. We are seeing an increasing number of homeless families and individuals in our suburban counties. The Federal Government recognized some of the most urgent symptoms of the failure of the national housing policy, granting funds under the Federal Emergency Management Act for the operation of food pantries and soup kitchens. And the Urgent Relief for the Homeless Act also provides some assistance for transitional and supported housing. But we need a national housing policy for low income individuals and families, special programs to create housing that will be affordable by those with very low incomes and not just hope that a general expansion of the housing supply will address the housing needs of the poor.

Meanwhile, the States have been forced to fill the gap through whatever means are at their disposal. Even public welfare agencies have been called into service, as has been the case in New York. Our homeless housing and assistance program in New York represents a pioneering effort to create new housing and support services for homeless people.

This program has become a model for similar efforts mounted by other States and municipalities throughout the country. To date, we have completed 50 projects, providing housing for almost 3,000 persons; another 30 percent are in construction. These 80 total projects represent State contracts of $34 million. An additional 75 projects to which we have allocated $36 million are in the predevelopment process and should be in construction or completed in 1988.

We are also tapping the stock of in rem housing in New York City and elsewhere, using whatever ways we can devise to help municipal and other owners rehabilitate apartments and make them available to our clients. We are hamstrung, however, by our inability to use public assistance funds for capital projects, even when this would be cost effective by helping us avoid the extraordinarily high expenses incurred in shelters and other temporary or transitional accommodations. We applaud your efforts to provide the appropriate authority, and I think the Mayor has discussed that with you.

Senator **Moynihan**. Yes.

Commissioner **Perales**. Let me conclude by stating that there are few matters on the domestic policy agenda that are more crucial than that of welfare reform. Through a half century of the accretion of statute and practice, and in the face of changing social economic realities, we have reached the point where fundamental change is now within our grasp.

I am confident that, through your leadership, this opportunity will not slip from us and that you will not rest until that task is completed. Thank you.

Senator **Moynihan**. Commissioner, we are very proud of you in Washington. You have one of the most articulate, sane, and unafraid voices on this subject. We really do have a great social crisis on our hands, don't we? Almost forty percent of the children in New York City are poor, in the midst of the greatest real estate boom, stock market boom, et cetera—boom, boom, boom—in which we are leaving our children behind. And we are creating a condition that the 21st Century is going to be unforgiving about. Don't you feel that way?

Commissioner **Perales**. Absolutely. I might add that many of these problems cut across ethnic and racial lines, but what I feel most when I look at New York City is that it is having a real racial impact. I think we are rapidly developing a caste system.

Senator **Moynihan**. A caste system.

Commissioner **Perales**. And I am very much afraid that it is basically a Black and Hispanic problem.

Senator **Moynihan**. I think you must have been surprised—at least I was—and perhaps you were not, to read the report of the Community Services Society of New York, which has been 154 years in this effort, that the highest concentrations of poverty—the highest of any group—are Puerto Rican Americans, Puerto Ricans here in the city. That is the most intensive concentration of poverty we have.

I know when Glazer and I wrote about the subject 30 years ago, if we were sure of anything, we were sure that there was nothing to worry about 30 years hence—there would be no problem at all. However it is a much bigger problem than it was 30 years ago.

Commissioner **Perales**. Let me comment on that because I think it says something about our economy perhaps in that, in the 1950s, if one looks at Census data, the percentage of Puerto Rican women who were employed exceeded that of white women and black women in our society.

Senator **Moynihan**. Yes.

Commissioner **Perales**. As the manufacturing base in our city eroded, and we now look at Census data, we find a complete reversal of that in that a much higher proportion of white women and black women are employed, and the smallest group of the women is the Puerto Ricans.

Senator **Moynihan**. And it reflects a change in the economic ecology. The needle trades and similar small manufacturing are not there.

Commissioner **Perales**. Exactly.

Senator MOYNIHAN. And we haven't prepared people for what is there, and we aren't doing it now.

Commissioner PERALES. Exactly. And as the Mayor pointed out, women make valid judgments about what is best for their children and themselves.

Senator MOYNIHAN. And the terrible isolation of welfare in this city——

Commissioner PERALES. Absolutely.

Senator MOYNIHAH. Mr. Cusick, did you have any questions?

Mr. CUSICK. Yes, sir, very briefly, so I don't delay Mr. O'Rourke. That legislation you referred to earlier and some difficulties that you were having with the legislature, how can we help in the next few days?

Commissioner PERALES. I think if we got movement out of the senate, we would have a good chance; and I think people in New York City have some influence on the senate.

Mr. CUSICK. The senate is pretty much on board?

Commissioner PERALES. I hesitate to say that. I can tell you that the senate passed a one-house bill last year. They looked at the Governor's proposal this year. They seemed to find it attractive. I think that there have been a number of difficult issues the senate has been wrestling with, questions about the second family, what effect the imposition of these guidelines might have on that second family. I think that the senate is wrestling with it; I think that any encouragement they were to get from New York City could genuinely help.

Mr. CUSICK. Thank you, Mr. Perales.

Senator MOYNIHAN. I think they surely have things to consider; but there are rights of children here and rights of mothers. There is a responsibility of citizenship, and we are not going to get away with letting 40 percent of our children remain poor. The city managed to get only three percent of its payments to them from their male parents. Now, that won't work.

Commissioner PERALES. I also suspect that, to the extent we could get some increase in child support payments, we would actually see a number of these women leave public assistance, if they had a guarantee of adequate child support payments. I think they would take their chances on a low paying job; but I think that, given the very, very low levels of child support payments that we are seeing today, it is not much of an inducement.

Senator MOYNIHAN. But it is extraordinary to hear you come and reflect the concensus of a new generation of administrators such as yourself, saying that first of all child support is to be assumed and is to be insisted upon, and second of all that employment on the part of women is as natural for this group of women as it is for any other. The choice that women have made to be in the work force is a choice that should not be denied this group; and we are denying them something. And finally, very little help has come from Washington.

Commissioner PERALES. Absolutely.

Senator MOYNIHAN. In some circles in the Capitol, there is still that notion that we can't trust the States in these matters; only we are the ones who are able and willing to do something. I have been saying to the contrary, that the States can't trust us. They are the ones showing the initiative—Governor Cuomo's group, and the group that you served on so well that came up with the extremely important idea of social contract.

Maybe these are unanticipated consequences, but certainly we will pay great heed to what you have said. We thank you very much for your testimony. I think Mr. Cusick will be talking to his principal about that legislation. Thank you very much, sir.

Commissioner **Perales**. Thank you very much.

Senator **Moynihan**. As Mr. Cusick indicated, we have the very special pleasure to have before us the Honorable Andrew P. O'Rourke, who of course is the Westchester County Executive, and who asked to appear. We are very happy to welcome him. I know that he has some very serious thoughts on this subject, and we await them. Sir, if you like you can have your testimony put in the record as if read, and you might want to go through it in a more conversational mode. Do exactly as you wish, sir.

STATEMENT OF HON. ANDREW P. O'ROURKE, WESTCHESTER COUNTY EXECUTIVE, WHITE PLAINS, NY

Mr. **O'Rourke**. Thank you very much, Senator Moynihan and Mr. Cusick and distinguished members of the Subcommittee on Social Security and Family Policy for this invitation and for allowing me to testify this morning.

As Westchester County Executive, I am responsible for a local social service district which plans to spend about $268 million this year to provide assistance in the form of income maintenance and medical payments and personal services to almost 100,000 people. However, my interest and involvement in the problems of the welfare difficulties in our country and State predate my tenure as County Executive.

My first full-time job when I graduated from Fordham College back in 1954 was that of a welfare investigator for the City of New York; and even earlier during less fortunate periods of my life, as a child, my family was on welfare in the City of New York. So, my observations this morning are rooted in three very different perspectives: one, a welfare recipient, and I doubt there are many of us in that category in this room; two, a welfare worker, and I doubt there are many of those around here; and finally, a welfare administrator. There probably are more administrators in this room than anything else.

Before addressing a number of very specific but limited issues, I would like to spend a moment talking about the concept of welfare reform in general.

We know this: the present system doesn't work. It hasn't worked for a long time. I might add, Senator, I read your writings many years ago; I didn't realize it was 30 years ago you were writing on welfare reform, but we knew then that something had to be done with the system that worked admirably under perhaps the Roosevelt Administration, had become creaky under successive Administrations, and finally ground to a halt somewhere along the line.

The Aid to Dependent Children was designed to provide temporary relief for mothers whose children were so young they were unable to support themselves. However, instead of that, this very fine program has bred dependency, generation after succeeding generation. So, the debate is not so much on how to change the system; we know it must be changed.

We sometimes are caught between the cilla and caribdus of: Do we fail to spend not enough on the system or perhaps the other side of it is we have failed to spend too much on the system. For our nation's poor, however, it is a growing and very difficult problem. It isn't just an economic problem.

It isn't a matter of transferring figures or tax incentives. Poverty is the result of an absence of social integration. I read some time ago Dr. Mead's book, "Beyond Entitlement"; and while I rush to say that I don't embrace all of his concepts, many of them are certainly interesting. And his conclusions and recommendations should be at least reviewed carefully. I do share his opinion that our view of the social programs as some type of a social charity is an impediment to meaningful welfare reform, reform which must balance the rights of the poor with their duties to our society.

And too often, I must say that the word "duty" does not arise when we talk about homeless people or we talk about people on social services. Indeed, I felt this as a child, and I felt it again as a social worker and certainly as an administrator. There is a duty and obligation to move yourself off that list and into the mainstream of American society, and our programs unfortunately have not provided that.

True welfare reform must certainly accomplish three things. It must provide a consistent humane level of care for those who, for illness or other reasons, are never going to be in the system. We can all agree at least on that. Second, it must provide services that are necessary—training, treatment, child care, income maintenance—for those it would help and one day be fully integrated into community life.

And third, it must deny assistance to those who are able to help themselves, yet will not; and I think that latter part has been lacking in our system for a long time.

Now, having set that as a standard, let me just talk about a few recommendations: housing for the homeless, child support, and employment opportunities for mothers receiving AFDC. Now, if you mention Westchester, it certainly conjures up these images of affluence, a suburban lifestyle. However, in social service circles, Westchester is known for its growing homeless crisis, which on a per capita basis is as severe as New York City.

In April of this year, 750 Westchester families with 1,450 children were homeless. The balance of our 3,100 homeless people is made up of 800 single persons. These figures represent a 62 percent increase in just one year in the number of homeless families and a 78 percent increase in the total number. It is staggering.

When I became County Executive just a few years ago, we were spending three quarters of a million on homeless housing in Westchester; and the total homeless package, three quarters of a million dollars. Today, we are spending $32 million, and there is a possibility next year——

Senator **Moynihan**. This is in the space of five or six years?

Mr. **O'Rourke**. That is correct. So, we have geometrically risen in cost over those years. Unlike New York City, however, Westchester County has precious few resources to even help mitigate this crisis. As a county government, for example, under our State Constitution, we are not permitted to build public housing. Even if we wanted to, we are not permitted to do it. We have no inventory of in rem buildings to draw against. Our supply of hotel rooms and motel rooms within our county is insufficient. The State shelter allowance for public assistance recipients is 50 percent less than the market rate for rental housing.

Over 1,000 Section 8 certificates are vacant in Westchester County. They are idle because the fair market rents are set too low by Washington. There has been an introduction of a bill along that line, and we certainly look for your support on that. As a result, I mentioned $32 million in total will be spent; $42 million, however, will be spent just in this particular area, half of it from Federal aid on homeless AFDC families during this year alone.

This ever-increasing financial cost of our homeless problem is worrisome. However, the incalculable costs to the children are especially tragic. Once when I was a kid, we were burned out. I remember that very clearly. And I spent a couple nights on someone's couch, and my mother eventually found another apartment somewhere along the line. There are no apartments available today for mothers to find.

Fully 40 percent of our homeless families are placed in motels outside of Westchester County, as far away as Poughkeepsie; and the terrible thing about it, Senator, is that every morning we are charged with picking up those kids in Poughkeepsie and bringing them to Yonkers to go to their home school districts.

Senator MOYNIHAN. From that county down?

Mr. O'ROURKE. And return them at the end of the day. And that is because we are mandated that they be educated in their home school district, as opposed to the school district where they presently find themselves housed. The average stay today in a motel for a homeless family in Westchester—in affluent—County is 12 months. The solution is obvious: build permanent, low-cost housing for homeless families.

It would be cheaper for our taxpayers—immeasurably cheaper for our taxpayers. It would be more humane for our homeless. Unfortunately, State and Federal regulations do not allow us to do that. They allow us to spend any amount of money when a person becomes homeless. However, we can spend nothing at all for the capital costs of permanent housing.

I looked at your remarks, Senator, and you mentioned demonstration projects. I think that is the way to go.

You give us the ability in Westchester County to use that $32 million as we see fit, with the caveat that every night we put a roof over everyone's head, and I can reduce—and thanks to the thousands of workers that we have in Westchester County; they are working on this—we can reduce homelessness in Westchester County. We cannot reduce it when we are trapped in the Sergaso Sea of State and Federal regulations that pull us down and stop us from moving anywhere except into further public debt. In Westchester, we are ready to start such a project.

To house the average homeless family in Westchester County is $20,000 a year; half of this is a Federal share. A $2 million allocation to Westchester County under a demonstration project would enable a not-for-profit organization under contract with the county to build or rehabilitate 200 units of housing. With 227 families now placed outside of the county, we could bring back 90 percent of all of those people.

And by the way, everyone always talks about these people as though they are part of the—dots—you know, they just wandered in. We have done a fairly good look at this, Senator; 90 percent of those people have lived in Westchester County over five years. And in this day and age, that makes them practically a lifelong resident. So, we are not dealing with some sort of migratory problem.

We are dealing with people in Westchester that get burned out, pushed out, and evicted out of the small amount of housing that we presently have available.

One final point on homelessness. Westchester has the bulk of the homeless problem outside of New York City, but we are not alone. As I meet with other county executives, they voice more and more concern about this, whether it is Albany County, Duchess County, Orange County, or Rockland County. The problem is out there, and it is growing every day.

And unless something is done about it, we will not be talking about this problem except in megabucks in the future. Something must be done about it now to curtail this problem.

You are undoubtedly familiar with the statistics that show one out of every five children in the United States is eligible for some type of child support payment, and I know you have talked about this before. Forty percent of this number, however, do not have support ordered.

Senator MOYNIHAN. Right.

Mr. O'ROURKE. We do an awful lot in Westchester County, charging around after errant parents, trying to get the money from them. I will just give you an example of how important this is. The key to improving child support is to improve in many cases, the establishment of paternity. In 1986, Westchester received 2,950 requests to establish paternity. More than two-thirds—68 percent—lacked sufficient information to identify and locate legally responsible parents or a parent.

Obstacles to improving this record include insufficient State and Federal reimbursement for the costs associated with establishing paternity and lack of interstate cooperation, and finally difficulty in obtaining Social Security numbers and last-known tax-filing addresses. To overcome this, we recommend: One, incentives for local social service districts to locate absent parents be increased, by separating Federal performance indicators for paternity establishment from collection activities. We could run out and find 1,000 absent fathers and yet not be able to collect something from them for one reason or another; but at least we have found them now. We can identify them; we can follow them.

And we think that that is the name of the game, not the amount of money we collect, although that is an important aspect. There have to be some dual indicators involved in this thing. One, find the chargeable parent; second, the amount of money we get back from them.

Number two, child support enforcement offices should be granted increased access to the information available from the Internal Revenue Service and from the Social Security Administration—an absolute must. If we are going to find these parents, we have to have the ability to get into the great computer in the sky and get that information out as fast as possible. People do move rather rapidly sometimes.

And finally, the institution of reciprocal agreements between States in establishing paternity must be mandated by Washington. What you must say is if you want help in your program finding errant or absent parents, you have got to help other States because too often we just get our requests returned to us. Once paternity is established, the parents must be forced to pay child support. We believe that we have mentioned some methods that will increase the way that this can be done.

And finally—and it has been mentioned a few times here before—a local guide—and certainly that is a must.

An interesting fact about Westchester County: We have a 3.4-percent unemployment rate.

Senator Moynihan. Yes. That is called full employment.

Mr. O'Rourke. That is right. However, interestingly enough, it fuels a very strong demand for entry-level job applicants. All throughout Westchester County, every fast-food chain, every store you go into has signs up that say "Employment Opportunities." They are trying to get senior citizens and mothers and all the rest. They will job share; they will do all the rest of this kind of stuff.

At the same time, 5,000 able-bodied Westchester AFDC recipients were excused in 1986 from participation in employment programs simply because they are caring for children under 6 years of age. Now, that sounds pretty humane. It sounds like something we ought to be doing.

Our present system discourages women on public assistance with preschool children from joining the work force; but the other half of that coin—as Paul Harvey says, "The other side of the story"—is that half of the women with children under three in the United States now work. Now, that is the parameter that you have to judge whether this program is correct or not; and I say it isn't correct, that the time has come to mandate that the women who are on AFDC live up to the same requirement as the women who presently are out in the work force with their kids and doing both jobs—working and child-rearing.

I support requiring all able-bodied mothers receiving public assistance to return to the work force or employment programs within six months after giving birth, absent any unusual health complications obviously.

To accomplish this, two major disincentives to work for public assistance mothers that are presently in existence must be corrected. First of all, these entry-level jobs very rarely have with them any type of comprehensive health benefits.

Senator Moynihan. Right.

Mr. O'Rourke. So, the woman who takes this job should not have to choose between medical protection, especially for her children, and working. Medicaid eligibility ought to be extended beyond the time a case is closed because of income from employment, absent adequate health coverage from the employer. Generally, many companies do not provide on site child care. Public assistance payment rates are already so low as to leave AFDC mothers unable to compete with nonwelfare mothers for available daycare. As an incentive to employment, perhaps a second and higher schedule of daycare benefits can be established for AFDC mothers who work.

I have heard you say, Senator, that we must break this cycle—this whirlpool, this downward spin—of people that get involved in our welfare system. We must eliminate the disincentives to work. We must give a lot of serious thought to incentives, however. Maybe it isn't enough in today's world to eliminate disincentives. Maybe we need some incentives to get people to work: a gradual reduction of public assistance benefits, for example, as one comes into the work force, regardless of income from employment, instead of the current practice of immediate termination of benefits at very low income.

Maybe this should be tried on a demonstration basis. In Westchester, we are ready to do that demonstration project. I think we can do it. We certainly have the ability. For second and third generation welfare recipients, public assistance is a security blanket and a minimal one; we know that. We must dare to offer a better one if we are to succeed in promoting independence.

I thank you for listening to my few remarks. None of the things we do in Westchester, which I think are creative and ongoing, could be done without the true heroes of this saga who are the men and women who work in the social service system—the front line. I have gone out and seen them, Senator. You have to look at their faces after they spend a whole day trying to find housing for the homeless or when they deal with these terrible issues. So, I congratulate them and our Commissioner of Social Services, John Allen, who is here with me, and Phil Giole, who is my Special Assistant in this regard. If you have any questions, we will try to answer them.

Senator MOYNIHAN. I thank you so very much indeed, and we welcome Mr. Allen. I would make two points if I may. The origins of the present program—the AFDC Program—were simply meant to be a bridge to the survivors' insurance which would mature in time as the Social Security program took hold.

President Roosevelt, in a message, made the point that it would be about 30 years until old age benefits would be available to persons reaching 65. In the meantime, there would be a grant program, which would gradually disappear. And indeed it did. He didn't mention AFDC, but it was to follow the same principle; it would gradually disappear as old age and survivors' insurance took place. And indeed, we have survivors' insurance, with 2.7 million recipients doing just what it was meant to do.

In the meantime, a wholly new and unanticipated event occurred. It is principally associated with an earthquake that just rolled through the American family structure. So, there is no point in saying it is coming; it has come. And you have a situation where the average American child will live in a single-parent family before reaching age 18. Only 39 percent of our children will be living with both natural parents until they are age 18.

That is our condition. Now, the question is: What are we going to do with those children and for them? And what are we going to do with the parents who stay with them and the people who leave them? I think your point about duty is excellent; it couldn't be more central. I mean, duty is something that people of consequence assume. It is not for nothing that at West Point they have a simple proposition on their seal; it says: Duty, Honor, Country. Duty is not something you impose on people. Duty is an expression of independence and competence and responsibility. To assume that people do not have duties is to assume that they are not independent, not competent; it is a terribly condescending thing, and in the end a very debilitating thing. Don't you find that? I am sure Mr. Allen agrees.

Mr. O'ROURKE. Yes, Senator.

Senator MOYNIHAN. Mr. Allen, would you like to join us?

Mr. O'ROURKE. May I say, Senator, that we don't place enough emphasis on the responsibility and therefore the duty of people who are in the system to change, and I think that Mr. Allen and I have talked about all types of programs, whether it is the basic charm school programs to get people the living skills necessary or the working skills necessary. But the other side of that is that you must have a way to make sure that people go to those programs.

Therefore, I tell you that, whether we like it on not, whether we think it is socially acceptable or not, mandatory programs are coming. We are only dealing, I believe, with one type of mandatory programs that should exist, and certainly I think we would all be for the most humane programs possible; but there must be programs that insist that people who are receiving social services do something to help themselves.

Senator MOYNIHAN. And that that absent parent do the same. You know, if you bring children into the world, you have got to pay for it and support them until they are 18.

I was interested that you suggest that the rule that, if you have a child under six, you are not really expected to be involved in employment programs. The majority of mothers with children under three are in the work force. And you would take it down to as early as six months, on a case-by-case basis?

Mr. O'ROURKE. I think, barring some medical problems, that that is what is going on in the world.

Senator MOYNIHAN. That is what people who have freedom of choice choose.

Mr. O'ROURKE. I would venture to say that the career woman of today who wants to have children would look at the welfare system as something that she can't do herself because she wants to stay in the work force or she is required to go back to work because of finances. So, I think we have to accept the changeable standards, Senator. Maybe when these programs were conceived, we were dealing with a standard that a woman should stay home and rear her children; that is not the standard of our society any longer.

Women today have a much wider and perhaps better role than that. They can become full participants in the work force——

Senator MOYNIHAN. It wasn't just an expectation; it was a requirement up until about 1950. Any young lady in upstate New York who was so unwise as to get married was immediately dismissed by the school board. No married woman could teach in the school. If you were a teacher, you had to be a spinster.

You would like some waiver authority. If we had a series of programs which a State could apply for, would Westchester County like to cash in X program or Y program and put up some permanent housing? You think you could do that. I wonder if Mr. Allen would have some thoughts on that?

Mr. O'ROURKE. I know, and I think you should ask the commissioner to comment on this; but it should work this way. The Act should say that you will accept demonstration programs because really that is the best way to find out what is going to work, and maybe you should let all of us out there who are doing this on a daily basis experiment with the caveats that we must perform the final function, which is take care of the people, house them, et cetera, which you can monitor.

Instead of tying us up with the rules and regulations that we are now under, allow us in some limited areas free hand on a year or 2-year basis and see how it works out. I think we could do a much better job. That $32 million this year that we are going to spend on the homeless will not produce one housing unit.

Senator MOYNIHAN. If you want an example of something pretty dumb, it is putting children up in a motel in Poughkeepsie at $20,000 a year and busing them to Yonkers every day to go to school. I mean, people who make $300,000 a year on Wall Street might take that kind of beating, but don't do that to children. That is dumb, just dumb, isn't it?

Mr. ALLEN. Senator, I think you have to realize also that 65 percent of our families are young women with young children. So, when you have 65 percent of your homeless families that are between the ages of 16 and 21——

Senator MOYNIHAN. 16 and 21?

Mr. ALLEN. Right. They are emancipated——

Senator MOYNIHAN. We are going to hear from some people at Covenant House.

Mr. ALLEN. We have a huge problem in——

Senator MOYNIHAN. Your homeless families never broke up; they never formed. Isn't that right?

Mr. ALLEN. They never formed, and they are not used to living in a competitive society. Those that were working—perchance some were and some weren't—now are isolated 20, 30, 40, 50 miles away from Westchester. We find we have a great deal of difficulty in getting them into any employment programs naturally. Many are willing to go into those programs. However, there was a very young, hard-core group that left home because they couldn't agree with the standards of behavior which their parents placed upon them, which is what all of us would normally do.

And therefore, they left home; and according to the present rules and regulations, when you present yourself to the friendly Social Services Office, then you must be placed in housing. Years ago, we had a different approach; we negotiated back with the parents and offered service for reconciliation in the parental household. Now, we are unable to do that because the rules require that a homeless status be established.

And there is one other area that is a great difficulty to us. If we have a homeless person who is referred to a position or whose parent refuses to work and is therefore sanctioned, they then become homeless; and we can't refuse to assist them. So, we have a cycle of families precipitating homelessness because the mandate is to help the homeless, and therefore they escape from the system and cause another series of dependencies.

Senator MOYNIHAN. And end up more caught in the system than ever?

Mr. ALLEN. Correct.

Senator MOYNIHAN. Mr. Cusick, do you have a question?

Mr. CUSICK. Yes. I don't really intend this question to be answered today because it probably requires a bit more detail than we have time for. I see another tired city official is waiting in the wings to come forward.

In New York City now, we are in the process of reviewing some say 16, some 20, homeless shelters at a fairly high cost in a context which may in fact perpetuate some of what we have just been discussing in terms of family lifestyles.

I am very much impressed by your figure of $2 million for 200 units. If I can still think straight, my math tells me that is $10,000 per unit. And I wonder first if that is construction money or an annual figure that needs to be spent again and how that plays out. More importantly, what are the individual components of that $2 million? How is it put together? How much in land? How much in construction?

We have been told that in the City of New York, upwards of $40,000 per unit for this kind of solution—and in some cases, those that argue against this approach say $65,000 per unit; so it is four to six and a half times greater than what you are indicating in Westchester County.

And I would simply like to ask that, at a time when you have some ability to reflect and to indentify some of these, if you could help us out on that and give us an indication of how that breaks out?

Mr. ALLEN. The figure that we have given has to do with using property that is acquired, donated, or owned by the county because, to acquire a lot in Westchester County, is $50,000 to $60,000. So, if you have a base of given property including that on the many nonprofit institutions that are located in Westchester County, you can do a lot.

Also, we are talking about prefab, prebuilt types of housing assembled on site.

Mr. CUSICK. Prefabs?

Mr. ALLEN. Yes. Otherwise, we could not do that. We are now rehabbing apartments, and we have 104 rehabbed apartments in the various apartments in various cities. We are doing those at anywhere from $15,000 to $20,000 per unit. That is a building that is about to be condemned; we are not only rehabbing apartments in the building but some, since we don't want to concentrate every family in the whole building; and we are doing that from 10 to 20 to 30, depending on the status of the building. We are doing this through nonprofit corporations.

Mr. O'ROURKE. We don't do it ourselves.

Mr. **Cusick**. I would still very much like to see how those numbers break out.

Senator **Moynihan**. Your neighbor here would like to share some of your secrets, but obviously, bringing in the nonprofit organizations, the charitable groups of Westchester County would help.

Mr. **O'Rourke**. We would be happy to do that.

Senator **Moynihan**. Mr. O'Rourke, we thank you very much, sir, and we thank you for bringing Mr. Allen. It has been a pleasure to have you both, and we will take great heed of several specifics that you mentioned.

Now, I know the Honorable Ruth Messinger has been up all night; she may not look it, but she has been and has to get off to another emergency meeting. I thought you had your emergency.

Councilwoman **Messinger**. I think the emergencies are over, but the meetings are not.

Senator **Moynihan**. The meetings are not? Well, we welcome you on this occasion. Do you have a statement?

Councilwoman **Messinger**. I do, Senator. And because of time constraints and the fact that my majority leader expects me back, I will see to it that you and Mr. Cusick all have copies of it, with a set of appendices.

Senator **Moynihan**. Fine.

Councilwoman **Messinger**. What I would like to do is briefly summarize my remarks.

Senator **Moynihan**. Fine.

STATEMENT OF HON. RUTH W. MESSINGER, COUNCILWOMAN, NEW YORK CITY COUNCIL, NEW YORK, NY

Councilwoman **Messinger**. Your hearings, both in April and today, cover several important topics. Most of those are areas in which I have a great deal of not only experience and expertise as a nine-year member of the City Council who serves on the Council's General Welfare Committee, but as a social worker who, in a variety of professional experiences before my election to office, worked particularly in the field of education and job training.

And it is that area to which I want to confine most of my remarks, both in the written statement and in the brief summary I am going to present. It is my contention that the present programs—the Public Works Program and the WIN Program—represent excellent ideas gone somewhat awry. In my judgment, the mandatory nature of these programs without adequate planning and support for the persons—mostly the women—who participate in them undercut their good intentions.

For too many people, these programs are seen as some form of punishment for having fallen into poverty rather than as an avenue out of poverty. I think the programs lack almost all of the kinds of assistance in family management, provision of adequate quality daycare, and thoughtful planning for steps to take along an education, job training, job placement continuum. As you know, the result is that where persons complete a WIN Program and secure employment, the Comptroller General has found that 60 percent of them continue to need supplementary assistance to survive.

If that is only a way station toward full economic independence, it is perfectly reasonable and understandable; but in too many cases, it is not so that there is a burden that continues on the Government to provide aid, on the person who feels very often that she does not have a route out of economic dependence, and that the constraints on her employment and functioning very often, as a single parent, are immensely complicated.

I have similar strong concerns about the quality of the job training and so-called education for employment that are both sanctioned by the program and that many people are finding it necessary to avail themselves of. My particular concern here—and my testimony goes into it at some length—is with the growing number of welfare recipients who find themselves channeled into proprietary schools which are receiving an ever-growing share of Pell Grants and very often, in fact, are now the subject of legal services suits because in fact they do not offer the education or the placement that they promised. So, people are going in, and in fact you will discover in some of the welfare centers in New York that are now moving the welfare-to-work programs that we are trying to implement that the proprietary schools leaflet in front of the schools basically—in a way somewhat more outrageous than their flyers in the subway—promising full permanent employment after just six weeks of training as this or that. The school receives the State-funded tuition assistance. More and more of State assistance is going to those programs, and they have never in my judgment been very good; and I think that they are the newest feeders at the public trough. And as they are bolstered by automatic tuition payments that come to them from Government, they are being less and less attentive to the quality of training they offer or to its relationship to jobs.

And I would urge that this is an area that needs to be examined. I give you references to the legal service attorneys who are now finding themselves suing several vocational schools.

It is in that context, and I will give you further reports on this, I will tell you that the great work of my office in the last 2 years in this area, courtesy of two interns who came to me and have continued with this issue to the point of their own exhaustion, if not mine, has been to try to improve the connections between women on public assistance or individuals on public assistance and the city university system. It is my contention that a college education is becoming a sine qua non of viable job underpinning. The city universities community colleges, as you may know, offer over 60 technical areas of study from business management to marketing to dental hygiene. 54 percent of the families going into the City university are families with total incomes of less than $12,000; the average graduate from City university earns between $18,000 and $19,000 within a year of graduation.

The unemployment rate of community college graduates is an oppressively low five percent. Despite this and despite the fact that 15,000 recipients of AFDC are now students in our City university system, we make it virtually impossible to pursue those educations legally. We do not or have not until very recently, in a draft guideline which is still pending out there—courtesy of our interventions with Chancellor Murphy and Commissioner Grinker and Commissioner Perales—until very recently, attendance at a community college did not count as a substitute for job training as required by WIN unless it was less than two years in duration, which is not the case with most actual enrollments in most community college programs, and unless it was one of a very limited number of community college degrees.

My favorite example of this was a point in time about a year and a half ago when the city and State disqualified students enrolled in the AA program in early childhood education. Clearly, by virtue of what we were talking about, a growing field for employment discounted that training as eligible in place of a report to work requirement for a WIN student. We have just begun to set this matter to rights.

We cannot go all the way without a change in Federal legislation, their allowance for the city/State waiver to take a form than that of a draft guideline and that recognizes the eligibility of a student on public assistance in a degree granting program from being eligible for all of those benefits—from carfare to daycare—that the students at lousy proprietary schools are eligible for.

And there is ample evidence as a backup in this regard, and I urge you to pursue the required changes at the Federal level in conjunction with Chancellor Murphy.

Senator MOYNIHAN. We are going to hear from him later.

Councilwoman MESSINGER. Good. In addition, I would urge that we do a great deal more federally and at the State and local levels to provide adequate daycare for children. In this city, somewhat under 20 percent of those children eligible for publicly supported daycare had daycare slots. Less than 10 percent of those children living with families in welfare hotels have access to daycare slots.

And the result is again that women who wish to either voluntarily move out of welfare through some kind of training program and into a job or who find themselves mandated to do so also find themselves in an almost intolerable position in terms of negotiating planning for their children.

I would urge you as well to pay attention to the recommendations in the second part of my report for the overall need to increase a benefit level which, as you are well aware, has fallen further and further below the poverty level in a city in which the cost of living is increasingly expensive. And I would urge you to pay a great deal of attention to some of the problems in the practice and implementation of what look to be decent welfare regulations.

There have recently been studies that relate to both homelessness and dissolution of families as a result of practices by the welfare system that are not in accord with these laws and regulations, which more people on the welfare rolls almost on a cyclical basis sort of to see how they struggle and cope and whether or not they can take care of themselves. The consequences of those moves directly move people, as has now been shown quite well I think, to the emergency assistance units, render them homeless, and make their cycle of entry into the welfare hotel situation that much more disastrous.

Senator, I have gone through 10 pages of testimony in a way that probably reflects that I have had about two hours of sleep. I would like to submit to you my testimony, three reports that have been done in my office, "Women on Welfare," "The Right to Higher Education," two papers on child care eligibility; and then I would like to urge the attention of your staff to the recent report on welfare to work initiatives done by the State-wide youth advocates of New York, and the study on the role of the welfare system in creating family homelessness and dissolution that comes out of the East Harlem Interfaith Welfare Committee.

Senator **Moynihan**. We thank you very much. We will make those part of the record. We know that you have to leave, but we will take very seriously some of the inanities that you have described. If Washington is the locust, which is not unlikely, we will see if we can't do something about it.

Councilwoman **Messinger**. Thank you. The one thing I didn't mention is that, because of our work with the City university, they have recently set up a council—a two-level council. One is student advisors at all of their branch colleges. The other is of students themselves who are recipients of public assistance and coping with those problems that I described. Certainly, either or both of these bodies would be more than happy to entertain a member of your staff at a meeting and describe in some detail the problems they encounter.

Senator **Moynihan**. We will talk to the Chancellor about that and do it. I started out at City College. I never applied for public assistance to do it, but I had about nine years of it in one form or another, and I never paid a penny to City College because of the GI bill. I couldn't more agree with the idea that you are off welfare once you are out of a community college.

Councilwoman **Messinger**. That is our experience. Thank you very much.

Senator **Moynihan**. Thank you very much. Now, we are going to hear from a panel of some persons who have very direct and immediate involvement in these matters. Mr. Ernest Latty, who is the Unit Manager of Covenant House and Mr. Gregory Loken, Director of Covenant House, New York; Mr. Theodore Elenoff, President of the American Jewish Committee; and Ms. Elizabeth Dalrymple, Former National Board Member of the Association of Junior Leagues.

The judges have been very generous in giving us this courtroom, but we do have a limit on the time we can be here. So, I am going to ask each of you to keep your presentation to 10 minutes, if you could. And I think we can start with the two Covenant House folks. May I say that I read that quite astonishing account—and who was it by?—oh, Ms. Elizabeth Rooney—entitled "An Evening at Covenant House." Gentlemen, welcome.

STATEMENT OF GREGORY A. LOKEN, DIRECTOR, COVENANT HOUSE—UNDER 21, NEW YORK, NY

Mr. **Loken**. Mr. Chairman, my name is Gregory Loken, and I want to say first on behalf of Covenant House that we are intensely grateful for your courage and your leadership over the last three decades in the area of welfare reform and to the Office of the City Council President.

What we want to do today is try to represent to you in this discussion the needs of the 15,000 kids who come to Covenant House programs in North America every year and, beyond them, the kids who are homeless, who have nothing, aged 16 to 21 in this country. I want to argue to you one central position, which is that poor adolescents, whether or not they are legal adults, are not similarly situated with either older people—the older poor—or with small children.

And I want to argue further that their plight is different but perhaps even more severe than these other groups.

Ernest Latty is going to address his work on our mother child program. I am going to give him the lion's share of our time to do that because I think it is the more telling part of our presentation. I hope you will also consider Elizabeth Rooney's remarks attached to the written statement we have submitted today, because I think they speak more eloquently than anything we can say.

It is difficult in working with poor teenagers to believe that welfare is a relevant program to their needs. It is so far from meeting their needs on a day to day basis. It is difficult in many ways to speak of reform when one almost wants to speak of revolution in the area of welfare regarding older teenagers; but in the spirit of reform, I want to lay out five suggestions—modest suggestions—that come to mind with regard to older teenagers. I think some of them you have heard before, and some of them you have publicly propounded before. In those cases, please consider our remarks merely as cumulative support.

First of all, we think it is crucial to increase Medicaid assistance to older adolescents, particularly the working poor. And I want to just mention that for a poor working adolescent to leave a job because he can't stay on the job and receive welfare is even more harmful in the long run to his career prospects than it would be for an older adult.

Second, as Councilwoman Messinger just eloquently argued, we need to encourage secondary and post-secondary education by welfare recipients, particularly for teenagers; and we suggest not only continued welfare assistance during college for poor teenagers and welfare families, but perhaps also special add-on grants for teenagers in high school who are successfully staying in high school and maintaining a satisfactory record of performance.

That leads into our third suggestion, which is that benefit levels in welfare need to be analyzed not simply in terms of the general level of poverty, but in terms of the needs of teenagers—which are demonstrably greater than small children. It costs about 20 percent more to maintain a teenager than to support a toddler, even on the most restrictive budget.

Senator MOYNIHAN. That is a very striking point you made.

Mr. LOKEN. And it seems to us that it is unfair to put poor families in a squeeze—in a financial squeeze—as their children reach the teenage years.

Fourth, and this is obvious to anyone who works in the field—and I won't belabor it—we need to improve procedures for getting welfare and particularly for adolescents who are new to the system.

Finally, we must expand longer term transitional programs. Covenant House is trying to develop one. We have had a successful first year in our Rights of Passage Program, though it is only an experiment at this time. There are many different models, but we have got to keep working on this; and I want to congratulate you for your work in this area in promoting Federal assistance for transitional living programs.

And now, I am going to turn this over to Mr. Latty.

Senator MOYNIHAN. Mr. Latty?

STATEMENT OF ERNEST LATTY, UNIT MANAGER, COVENANT HOUSE—UNDER 21, NEW YORK, NY

Mr. LATTY. Thank you, Senator. My name is Ernest Latty, and I would like to say thanks very much for having us here today. The first thing I would like to do is to reiterate that we think it is very important that the adolescent poor that we are talking about here be the focus, the center, of this whole debate to rewrite the Welfare Reform Act. It is imperative that I speak of a couple of things that probably would not come through these doors if you didn't have that hands-on experience because the unwritten message that these young teens get—and one of them is very important, and we see it on a daily basis—if you want to make more money on your welfare budget, you must continue to have more illegitimate children.

Now, this particular population believes that they are not making enough money; and so, they do believe that in order to get a bigger part and in order to sustain themselves, then they must continue to have more illegitimate children.

The second, which will certainly concern you a lot because there are a lot of concerns and misunderstandings about it, is that the absent parent in the case of these young men and women is in the same predicament, if not worse, than the girls that we are working with. The absent parent is not working. The absent parent is a young man who probably is living at or is eligible to live at Covenant House themselves because they are unable to function themselves.

So, with those two unwritten messages that these young people are getting, we would ask that that be the central portion of attention as we go into these debates.

Increased medical benefits for adolescents. Clearly, that is something that we are talking about all the time. In order for these young people to have the incentive to continue to work, they must indeed get medical benefits that are necessary, particularly the young pregnant teens that need that type of medical attention in order to raise healthy young people.

Recognize special education needs for teenagers. Again, if we plan in any way on breaking this cycle that we see happening over and over and over again, it is going to be through education that we begin to see a change in the cycle.

Now, clearly, the system—the way it is set up so far—does not encourage these young people to pursue their education. They rather pursue an apartment. Many of these young people that we are getting are coming from second, third, and even fourth generation welfare homes. At what point does this cycle begin to stop? We don't know. It is a very frightening thing. How finally can we stop this cycle? Through education. That is clearly the only way we are going to be able to do it.

I would like to take this opportunity to speak on what I believe to be one of the most serious ways of addressing this problem, and that is with the long-term programming.

Now, again, Mr. Loken has spoken on the Rights of Passage program that Covenant House has set up. Now, clearly the Federal Government will not be able to duplicate that program to the letter because of our private funding for the program. However, the concepts, the way that we are beginning to attack this problem of the cycle, are something that we must look at.

Clearly, an emphasis on early childhood development to begin to change the attitudes of second, third and fourth generation welfare families is something that we must look at. As I look at some of these young girls walking in with young babies, I can imagine within the next 16 to 17 years, they, too, will be knocking at the door of Covenant House looking for a welfare budget of their very own, just as their mothers did, just as their mothers' mothers did, and so on.

If we at all intend on changing that, the long-term programs will be set up to help with education, vocation, work, and certainly establishing strong relations between the mother and the parent, as well as the emphasis once again on that early childhood development. It is essential in beginning to break this cycle that we see every day—every single day—Senator Moynihan.

Simplifying the procedures. How many young women do we see coming through the doors of Covenant House over and over again because of a myth of face-to-face. Well, Senator Moynihan, it is impossible for us to be effective if they are going to continue—these are young people. They are responsible in many cases; they just don't have the chutzpah, the stuff that it takes, in order to stay on the present welfare system.

Another thing that is very, very important is that the procedural—the bureaucracy set up by the system itself—by a time a woman has been on it for 20 years, she is an expert on bureaucracy and the whole thing. These young women that we are working with are not and will not be experts on this; and we don't want them to be. What we would like to see happen is that these young people begin to break the cycle, that these young people begin to go back into the schools so that, 20 years down the road, we are spending less on the welfare system because these young people have a new attitude.

Their attitude is no longer "my mom had it, and her mom had it, and now my daughter, too, will have the welfare system."

Senator MOYNIHAN. Mr. Latty, thank you for extraordinary, specific and vivid testimony. A point that we are trying to make in our whole discussion here is that the program we are dealing with, what we call welfare, is a widows' program that started in 1935. It assumed maturity, social competence, all those other things. The typical recipient was seen as a West Virginia miner's widow, a perfectly competent person who just suddenly lost the income in her household.

But that is not the 17-year-old girls Ms. Rooney described. I believe Ms. Rooney is in the audience. Oh, there you are. That was a brilliantly written and moving description. They are 17 years old and 16 years old. Has anybody here had a 16-year-old? They are not competent persons. They can be engaging, but you know what your own 16-year-olds are like. Let me tell you that they are not very competent, and that is when they have everything all around them.

To speak to our next question, we are very happy to have Ms. Elizabeth Dalrymple. We are going to turn to Ms. Dalrymple.

May I make a special point here, if our visitors will indulge me? We are paying a good deal of attention to the subject of children and families this year, and we are able to get people to come to hearings and testify. We have just heard some expert testimony; but 10 years ago, this wasn't necessarily so. There were days when we would hold hearings in Washington on the subject of social welfare and children, and the only people who would appear were representatives of the Junior Leagues of America. It is almost a century that the Leagues have been involved. As I recall, the Junior Leagues were begun by Mary Harriman at the turn of the century to provide young ladies who would volunteer in such places as Covenant House—in those days the settlement houses. A tradition was never lost; they are just determined to stay with it and have done so. It is a pleasure to have you here and to have you come from Chemung. That is especially nice of you, and we welcome you, Ms. Dalrymple.

We will put your extensive testimony in the record and let you speak as you would like.

STATEMENT OF ELIZABETH DALRYMPLE, FORMER NATIONAL BOARD MEMBER, ASSOCIATION OF JUNIOR LEAGUES, NEW YORK, NY

Ms. Dalrymple. Yes, that is what I will do. We are very pleased to be here today; and as you said, the association has had a longstanding interest in women's and children's issues. What I am going to do, as you suggested, is just summarize our comments and put the lengthy ones in the record.

First of all, let me introduce myself. I am Betsy Dalrymple, and I am an Immediate Past Board Member of the Association of Junior Leagues. I am also past president of the Junior Leagues of Elmira, NY. I have had an extensive involvement with the United Way in my county and have been a Chairman of the Board of United Way. I also served on the Board of Directors of the United Way of New York State.

The impact of poverty on our young people is of personal interest to me. A number of years ago, I worked as a probation officer and worked first hand with obviously a number of the families and children that are the subject of your testimony today. Currently, I am president of the Board of Elmira Glove House, which is a nonprofit agency that provides foster care services, detention facilities, group homes, and counseling services for adolescents.

Senator Moynihan. May I just interject here to say that, for the record, we have been talking about and hearing about the City of

New York and Yonkers and places like that. Elmira has a real problem; this is as real a problem in Elmira as it is in the South Bronx. There is no place in the Nation where the children aren't having troubles these days. Is that right?

Ms. DALRYMPLE. That is very true.

Senator MOYNIHAN. I mean, Elmira is a pretty town on the river, a nice place, the home of the first institute of higher education devoted to women in the world, the Elmira College.

Ms. DALRYMPLE. Right. Back to the Junior Leagues. There are 259 Junior Leagues in the United States representing about 165,000 members. The association's interest in welfare reform is consistent with its active role in assisting needy children and their families at the local, State, and national levels in its role as an international women's organization interested in sharing women's economic progress.

We believe that the public policy debates regarding the welfare system and the future of our children cannot ignore the interrelationships among the family structure, our system of education and job training, the work place, and the need for essential services such as child care and health care.

Moreover, as you have heard many times today, we feel that parents must recognize their responsibilities for their children and make every effort to care for and support them.

The association of Junior Leagues Board of Directors has voted to support the principles on welfare reform which were developed by the Food Research and Action Center. The principles address the need for adequate income, job opportunities, and training, support for both one and two parent families, and strong Federal leadership on these issues.

In the area of child support, it is a basic premise of our society that parents ought to provide for their children to the best of their ability. Yet, Senator, as you well know and it has been illustrated here today, the record with respect to child support payments from absentee parents in general is poor. It has been clearly documented that single parents in female-headed households are more likely to be poor than the population as a whole, and that one reason for this poverty is that children frequently receive little or no support from the absent father.

Only 58 percent of divorced women with children are awarded child support. However, aggregate national statistics alone do not adequately convey the economic impact on individuals that inadequate or no child support has.

The failure of an absentee parent to pay child support is a major reason that children do end up on public assistance. Passage of the child support enforcement amendments of 1984 was a move toward addressing the lack of adequate enforcement mechanisms for assuring child support payments from absentee parents. The association, as you probably are aware, joined with other advocates——

Senator MOYNIHAN. Yes, indeed.

Ms. DALRYMPLE. Of this landmark legislation. Although there has been progress since 1984, the changes required by the amendments have yet to be fully implemented. For example, in Ohio, we have documentation of the need for continued vigilence in improving the child support system. Despite passage of the Federal legislation in 1984, Ohio's child support system remains one of the weakest in the country.

In 1985, Ohio collected less than $90 million in child support in contrast to over $300 million collected in each of its neighboring States, Michigan and Pennsylvania, which have nearly equivalent populations. The Ohio State Public Affairs Committee, a State-wide advocacy coalition representing the eight Junior Leagues in Ohio, has advocated passage of State legislation designed to improve the procedures for imposing liens against real personal property on any persons in arrears over 30 days.

In addition to its advocacy efforts, the Ohio State Public Affairs Committee has teamed up with the Ohio Office of the Children's Defense Fund to put together a booklet entitled "Through the Eyes of Ohio's Children." The booklet, which I have a copy of here today——

Senator MOYNIHAN. Oh, we will make that part of the record.

Ms. DALRYMPLE. Yes. We will be happy to do that.

Improving the enforcement mechanisms for the child support system should be a high priority of the 100th Congress. However, improving the child support system alone will not solve all the problems of parents supporting their children. We believe that welfare reform must also develop programs and policies to improve the basic skills of and provide adequate job training opportunities for both young fathers and young mothers.

As highlighted in a recent Children's Defense Fund report, one reason that young fathers do not provide adequate child support is that the earnings of young men have been declining.

While the majority of families on welfare today are headed by single women, it is important not to overlook the fact that substantial numbers of poor families have two parents. We strongly concur with your position that all families, including those with two parents, who meet State income eligibility standards should receive benefits.

We strongly believe that it is short-sighted to support policies which encourage families to break up.

Welfare reform must also address the need to provide good quality child care. This has been a long-standing issue for the Junior Leagues. It is important to note, however, that reforms made by the 1981 Omnibus Budget Reconciliation Act curtail the supply of and access to child care for low income families. The impact of these changes has been documented in a number of communities by child watch projects. In 1983, the Junior League of DesMoines Child Watch Project reported that many families in Polk County were negatively impacted by Title 20 cuts. As a result of these findings, the Junior Leagues of DesMoines in 1983 launched a collaborative project entitled "Child Care Subsidy and Assistance," which, using a combination of private and public funding, provides subsidies to families who cannot afford the cost of child care.

The failure to provide child care for parents who need job training deprives many parents of the opportunity to obtain the skills necessary to become economically independent. 50 of the 300 families receiving a child care subsidy from the Subsidies Assistance Program between 1984 and 1986 were single mothers who qualified for welfare but requested the subsidy in order to obtain job training.

The relationship between out-of-wedlock adolescent child bearing and long-term welfare dependency is well documented. In fact, while the birth rate among adolescents is declining, the percentages of teenagers bearing children out of wedlock is rising. Lacking skills, alarming numbers of these teenage mothers and their children have no recourse but to become dependent on welfare.

Recognizing the growing problem of adolescent pregnancy, Junior Leagues and the association have become involved in a broad range of programmatic and public policy initiatives designed to prevent adolescent child bearing and to provide support to those teenagers who are already parents.

In 1984, in collaboration with the March of Dimes, the National Council of Negro Women, the National Coalition of 100 Black Women, and the Children's Defense Fund, the association began a child watch program. Modeled on the original child watch program, adolescent pregnancy child watch is designed to enable local community collaborations to gather data on the impact of adolescent pregnancy in their communities. Based on the findings, each community collaboration then develops a set of recommendations.

The findings of many adolescent pregnancy child watch sites underscore the need for essential educational and child care supports to those teenagers who already are parents in order to interrupt the cycle of long-term welfare dependency, as well as to provide incentives for teenagers to delay child bearing. Good education and job training are needed to give teenagers a vision of life free from welfare and with the idea that they can become self-sufficient.

Food, clothing, health care, and shelter are fundamental needs, and the benefits received by poor families must be adequate in order to provide those. Clearly, the fact that benefits are not always adequate is exemplified by the growing number of homeless families. The declining benefits and rising rents have made many mothers become forced to choose between feeding their children and housing them. The short-term implications for families living on the streets and in welfare hotels are deplorable. The long-term implications for the children being raised without adequate shelter, nutrition, security, and schooling are devastating.

To underscore their concern about homelessness, Junior Leagues delegates have adopted a resolution in 1976 on the subject of homelessness. In response to this resolution, the association will hold a public policy issues forum, "The New Homeless: Women, Children, and Families," October 5-7 at the Winsburg Conference Center in Racine, Wisconsin.

It is our hope that the issues for participants will generate a set of public policy reforms or next steps, that individuals, organizations, and legislators can take to address the problem of homelessness at the local, State, and national levels.

Senator **Moynihan**. Ms. Dalrymple, I think because of our responsibilities to the justices, we are going to have to leave your excellent testimony there, but with this particular point. Another aspect of this program is that it can't sustain itself; it has no suspenders. Since 1970, the benefits for children under AFDC in the nation have dropped by one third. Across the river in New Jersey, the second highest per capita income in the country, they have dropped 52 percent, this program doesn't sustain itself. There just aren't enough Junior Leagues. There are not enough Covenant Houses. We need a system that sustains itself and acquires a public support that it doesn't now have. Thank you. You hang in there and invite us to Racine. We might come.

And now, we are going to hear from Mr. Elenoff, on behalf of the ever-faithful American Jewish Committee of the Institute of Human Relations here in New York. We welcome you, sir.

STATEMENT OF THEODORE ELENOFF, PRESIDENT, AMERICAN JEWISH COMMITTEE, INSTITUTE OF HUMAN RELATIONS, NEW YORK, NY

Mr. **Elenoff**. It is toward adding our voice to a growing constituency of interest and support for welfare and social policy reform that we appear here this day, Senator.

Senator **Moynihan**. We will put your statement in the record, of course.

Mr. **Elenoff**. Good. That will be in the record, and we hope that you will also accept for the record our policy statement, which is "The Poor Among Us: Jewish Tradition and Social Policy."

Senator **Moynihan**. We don't have that.

Mr. **Elenoff**. I would like to have that submitted.

Senator **Moynihan**. Of course. We will put that in the record, indeed. That is "Jewish Tradition and Social Policy"?

Mr. **Elenoff**. That is correct.

Senator **Moynihan**. All right.

[The prepared document follows:]

SOCIAL POLICY AND THE POOR

Gary Rubin
Director of Programs
The American Jewish Committee

INTRODUCTION

Most social-policy debates in the U.S. today are characterized by a high level of polarization. Advocates of various positions agree on the urgent need to relieve poverty and promote self-sufficiency, but they differ markedly as to the roots of current problems and in their prescriptions for dealing with them. There is widespread dissatisfaction with current programs designed to aid the poor, elderly, disabled, single-parent families and others in need, but proposals for reform range from greater government intervention to a shifting of responsibility from the public to the private sector.

Theoretically, it should be possible to measure the effectiveness of various programs, and determine whether government intervention has been more or less successful than private initiatives in reducing poverty and generating self-sufficiency. But evaluations of social-policy initiatives do not lend themselves to such simple assessments, since evaluations of success or failure often depend more on the perspectives of those making the judgments than on rigorous scientific testing.

Even when different observers agree on facts they may differ sharply about what the facts mean. There is general agreement, for example, that welfare grants keep many Americans out of poverty. Liberal analysts view this as effective government action to aid the poor.[1] Conservatives, on the other hand, counter that public aid has made large numbers of people dependent on government handouts and has destroyed their will to support themselves.[2] In this case, there is no dispute that welfare allows many families to stay above the poverty line. Sharp debate exists, however, on the implications and desirability of this fact.

This difference in evaluating social-policy programs stems from a more fundamental debate over the principles that should guide efforts to assist people in need. Like all important public decisions, social-policy initiatives rest on a set of assumptions about the values society should embrace. We endorse programs of action that we feel will lead to outcomes we believe are right.

Evaluating social policy, then, requires answers to questions that reflect key social values. How important is it that all Americans live at or above a certain standard of living? How much difference does it make whether a family's income derives from self-support or from government aid? What do we owe to people who are poor, disabled, elderly or without a key breadwinner? How should we protect self-supporting Americans against the dangers of loss of income? Are our fundamental social goals best pursued through public or private channels? To what extent should public policy seek to influence or support private groupings -- such as the family and local community -- that have a major influence in molding attitudes about self-reliance and other social values?

In short, when we consider social policy, we must confront the question of what we mean by social responsibility, because the policies we adopt reflect our values as a nation. For this reason, devising effective programs requires more than technical expertise. It entails a fundamental exploration of the ties that bind Americans into one society. Thus, the social policy the nation espouses will reveal much about this country's collective character.

THE CURRENT STATE OF AMERICAN SOCIAL POLICY

Recent research indicates that, in the foreseeable future, significant numbers of Americans will continue to suffer the effects of poverty, unemployment, disability, old age, illness, family breakup and teenage pregnancy.

While much disagreement persists about the direction of the American economy, there are growing doubts that it will improve sufficiently by itself to provide an adequate income for most of the disadvantaged groups cited above. Increased foreign competition and growing federal deficits threaten to prevent the expansion of the workforce to assure full employment. Pressures to cut public spending will spark competition among various funding programs.[3]

We now have better data on the nature of need in the U.S. than ever existed before. Groups that have done poorly in the current economy can be fairly accurately identified and analyzed.

There has been much change in the nature and extent of poverty, as measured officially by the U.S. Census Bureau in the past quarter century. In 1960, over 20 percent of Americans were defined as poor. This figure fell steadily through the next decade, hovering at close to 10 percent in the early 1970s, and climbing steadily to about 15 percent in 1984. Though the figure has dropped off slightly since, it remains well above the average achieved in the 1970s.[4]

It is not enough, however, simply to know what percentage of Americans are poor at any one time. To deal with them effectively, it is also important to understand the nature of their problem. It makes a big difference, for example, if they are only temporarily poor and need only short-term aid to resume self-sufficient lives or if they are mired in a "culture of poverty" that is passed on from one generation to the next.[5] It is also vital to know what demographic characteristics are most often associated with poverty.

Important answers to these questions have recently been revealed in studies conducted by the University of Michigan's Institute for Social Research. By following a cadre of respondents intensively for over a decade, ISR has accumulated data that provide an accurate and somewhat surprising picture of poverty in the U.S.

Most of the poor, these studies indicate, remain in poverty for only a short time. ISR found nearly a quarter of Americans suffered from poverty at some time during the decade from 1969-1978. But only about one tenth of that group remained poor for as many as eight of those 10 years. Thus, while many experienced temporary income shortfalls, only relatively few suffered persistent need.

Two main characteristics separated the persistent from the temporary poor. Most of those in long-term poverty were black (62 percent); and a clear majority (61 percent) lived in female-headed households. The temporarily poor, on the other hand, resemble the general population closely in their ethnic and family makeup.

There are several reasons why a disproportionately large percentage of female-headed families are persistently poor. First, divorce, separation and out-of-wedlock births have created more families headed by women. And second, federal aid programs have helped other groups in need more than they have aided women heads of households. Poverty among the elderly, for example, has declined largely as a result of various types of public aid. These trends seem likely to continue and raise important challenges for social-policy planners.[6]

The ISR analysis of the poverty population in the U.S., it seems clear, delineates two different kinds of problems: one, the fairly sizable group (about a quarter of the entire population) that falls into poverty temporarily, and may require short-term help to resume self-support; two, the much smaller, but far more needy segment (made up largely of blacks and/or female-headed households) that lives in constant want. An improved economy may bring relief to the temporarily poor. But it is likely that more is needed to ease the persistent poverty of this second group.[7]

Social policy encompasses not only programs for the poor but for some middle-class Americans as well. Social Security, for example, aims to protect all Americans against loss of income due to the retirement, disability, or death of a wage-earner, though benefit payouts are weighted to give more to those with lower working incomes during their employment years, and lower overall incomes in retirement. Because of the scope of its coverage, Social Security may face serious financing problems before the end of the century, as the number of retirees grows faster than the pool of workers paying into the system.[8] Other aid programs, such as college loans and grants that subsidize university attendance for many middle-class students, have also added significantly to the federal budget. It is clear that rising costs will require choices to be made about the relative importance of these various social programs.

In fact, program costs have become an increasingly prominent consideration in evaluating social-policy initiatives. Public-aid expenditures rose slowly through the early 1960s but began a sharp climb in the latter half of the decade that continued through the 1970s. Per-capita aid expenditures grew from about $50 in 1965 to over $200 10 years later (in constant 1980 dollars).[9] Indeed, how to accomplish important social-support goals in the face of the costs they entail is, perhaps, the most perplexing social-policy dilemma.

What has the vast expenditure of aid funds over the past quarter of a century bought? There is no single overarching strategy to aid the poor or carry out other social policy goals. What do exist are five categories of programs, many overlapping and uncoordinated, designed to relieve need or protect against sudden income loss:

> Cash grant programs: These include Aid to Families with Dependent Children for single-parent families (and, in some states, for intact families), unemployment insurance and Supplemental Security Income for the aged, blind and disabled.
>
> In-kind assistance: These provide commodities or services rather than cash and include food stamps, school lunches and Medicaid.
>
> Amelioration programs: These are designed to improve the physical and educational status of the poor. They encompass nutrition, compensatory education and Head Start programs.

> Job training and job creation: These are efforts to promote employability through vocational training and retraining and tax incentives to businesses that hire workers from disadvantaged backgrounds.
>
> Broad social programs: These serve not only the poor but a large segment of the population as a whole, and include Social Security, Medicare, aid to education and similar programs.

All of these categories were expanded during the Great Society years of the 1960s and continued to grow through the 1970s.[10]

In his 1980 election campaign, President Reagan sharply criticized the size and performance of many domestic social programs and vowed to curtail them if elected. Many saw his stewardship as a turning point for social policy in the U.S. How have five years of the Reagan Administration affected the nation's network of programs?

Many observers maintain that though the Reagan Administration has cut the scope and rate of growth of many Great Society programs it has not fundamentally altered their purpose or function. As one New York Times article put it: "Whatever the oratory about dismantling the Great Society, its bedrocks...have become, in the almost unanimous view of politicians and scholars, permanent parts of the American system.[11] Five months later, another Times piece was headlined, "After 20 years, Education Programs Are a Solid Legacy of Great Society."[12]

It should be pointed out, however, that social programs are not a product of unilateral Administrative fiat but rather of interaction and compromise between the executive and Congress. Had the Reagan Administration's proposals been accepted without change by the Congress, federal supports for many programs would have been cut much more sharply than they were. The continued existence of many Great Society programs must be attributed more to political compromise than to Administration intent.[13]

Moreover, the trend toward reduction has not affected all programs equally. While some programs, such as basic welfare and food stamps, have taken sizable cuts since 1980, others have actually received increased funding. Budgets resulting from Congressional-Administration negotiations have increased aid for the disabled and nutritional supplements for mothers and children.[14]

The most fundamental changes made by the Reagan Administration flow from its basic view of social policy. Great Society programs assumed not only that the poor should receive support but that their lives could be dramatically improved through federal educational, training and community-development initiatives. President Reagan and his aides have repeatedly affirmed their support for a safety net for the needy; but they have expressed profound skepticism about the ability of government efforts to meaningfully improve their skills for life chances. As sociologist Nathan Glazer has written, "One of the most striking elements of Reagan's social policy was his rejection of social engineering, the idea that incentives and disincentives and sharply focused programs can be used to affect human behavior and improve the human condition."[15] In this sense, the Reagan Administration's response to need differs vastly from those of its predecessors over the past 20 years.

These differences are illustrated clearly by the varying attitudes toward job-training programs. The Great Society created the Job Corps, which aimed to teach discipline and basic employment skills to chronically unemployed inner-city youth, many of whom lived in special residential centers and received living expenses as well as training. The Reagan Administration saw this as a wasteful attempt to remold people's lives and sought to scrap this program and replace it with its own Job Training Partnership Act, which relies on the private sector to provide skill enhancement and employment. The Great Society program saw job skills as part of a complex of life problems which had to be addressed, while the Reagan approach focuses only on training and considers the attempt to alter the broader social environment as both ineffective and an inappropriate role for the federal government.[16]

This shift in social-policy scope and goals during the Reagan Administration has generated a great deal of controversy, reflecting not only varying assessments of how best to aid the poor, but differing values on how to give help. In the past year the debates over these issues have become increasingly polarized.

THE NEW SOCIAL-POLICY DEBATE

Recent changes in social policy have generated a wide variety of views about what the appropriate public role should be in this arena, representing very different visions of a national strategy to provide help to those in need.

Some advocates propose a fundamental shift in present government approaches to social-policy issues. Three Stanford University professors, for example, have argued that "The collective good can only be assured and improved on through government intervention in what is a corporate system dominated by large, noncompetitive institutions," and have called for highly politicized organizations of citizens to push for a much larger public role in providing minimum support to all, regulating industry, overseeing trade and shaping urban life.[17] Other analysts have called for "active government shaping the economy in ways that make the elimination of poverty a realistic possibility" -- a goal they hope to accomplish through "substantially greater political influence among minorities."[18] Each of these proposals seeks to activate new constituencies to achieve fundamental social-policy change.

The most interesting new stirrings on social policy, however, come not from advocates outside the U.S. power structure who seek to alter current arrangements, but from institutions very much in the mainstream of American life. In the past year, sharply different assessments of social responsibility have emerged from the Catholic Church and from Charles Murray's influential new book Losing Ground, often quoted by key officials in the Reagan Administration.

The U.S. Catholic bishops' draft pastoral letter, "Catholic Social Teaching and the U.S. Economy," proclaims at the outset, "Our fundamental norm in judging economic policies has been this: What will this approach or policy do to the poor and deprived members of the human community?" And in their answers to this question, the Catholic bishops call essentially for a rededication to the social programs of the Great Society -- a national commitment to full employment, with the creation of public-sector jobs if necessary; welfare grants sufficient to maintain a decent standard of living; the participation of the poor in the design of welfare initiatives; and cooperative efforts by government, business and labor to devise job-creation strategies. "We must always see and speak of the poor as brothers and sisters who, precisely because they are in need, have special claims on us,"[19] the pastoral letter concludes.

The bishops' commitment to greater government action in combating poverty raises some serious practical problems, however. Often they state admirable principles without any discussion of how to translate those ideals into practice. Thus, for example, they call for expensive welfare and job-creation programs, but at the same time caution against the inflationary pressures of too much spending. Similarly, they advocate the direct participation of the poor in designing antipoverty initiatives without any consideration of the problems experienced in earlier community-involvement programs.[20]

It should be acknowledged, however, that the bishops do not aspire to set practical program guidelines. The primary purpose of their pastoral letter is to inject once more into the policy debate in the U.S. the importance of social responsibility, and to challenge policymakers and the general public "to choose community over chaos." There can be no doubt that the views enunciated in the pastoral letter will figure prominently in the ongoing discussions of this issue.

The assumptions, analyses and recommendations of Charles Murray's Losing Ground could not differ more radically from those of the Catholic bishops. To Murray, government action is a fundamental cause of poverty, not a solution for it.

Murray argues that such disturbing social trends as steep rises in poverty, school-dropout rates, unemployment, crime and family breakup all coincided with the growth of Great Society programs. Moreover, he maintains, government activities, though well-intentioned, have caused these problems. Before the introduction of generous public supports, individuals had to work to take care of themselves. Now they can rely on public handouts and so have little incentive to stay in school, hold on to their jobs or maintain intact families. The Great Society, in Murray's view, destroyed the basic commitment to self-support which had held American society together. "We tried to provide more for the poor and produced more poor instead. We tried to remove the barriers to escape from poverty and inadvertently built a trap."[21]

Murray does not see government programs as salvageable, and he recommends the elimination of all federal assistance to the able-bodied poor, except unemployment insurance. This step, he insists, will force current aid recipients to work, benefiting both them and the larger society.

Like the views expressed in the bishops' pastoral letter, Murray's conclusions can be questioned on both practical and empirical grounds. Many of his data have been challenged by other scholars, and perhaps more basically, his opponents argue that he has misidentified the reason for the rise of poverty in the 1970s. They attribute this trend to the coming-of-age of the baby-boom generation of the late 1940s and 1950s, which flooded the economy beyond its capacity to absorb new workers. Indeed, Murray's critics maintain, without government programs to ease this dislocation, the social shocks would have been much worse than they were.[22] Murray's prescriptions, in their view, would solve nothing, and produce serious and underserved suffering.

Again like the bishops, the major effect of Murray's argument has been to introduce a values perspective into the social-policy debate. He believes that individuals have a responsibility to care for themselves, and that the instinct for self-reliance is blunted by public aid. This viewpoint will continue to influence social-policy deliberations.

Important as they are in defining the parameters of the debate, it is questionable whether either Murray or the bishops will see the majority of their recommendations put into practice. Since both social and individual responsibility are core American values, it appears unlikely that consensus will develop around any program that stresses one to the exclusion of the other. Studies of the American electorate indicate continued widespread support for basic welfare programs -- thus running counter to Murray's proposals to eliminate them; and lack of enthusiasm for any major new initiatives would appear to doom many of the bishops' proposals as well. What's more, many analysts feel that the weakening of party identity among voters and the decline of centralized leadership in Congress will make it extremely difficult to realize coherent policy agendas.[23] It seems likely that future initiatives will modify current programs in an attempt to create a balance between compassion and self-reliance. Signaling this trend, both the bishops and Murray have more recently moderated their more controversial recommendations.[24]

SUPPORT, AMELIORATION AND SOCIAL SECURITY PROGRAMS

While Murray and the bishops provide general perspectives on social policy, more detailed analyses of current programs and options for new approaches are needed to undergird changes in the system for providing assistance. How effective are present efforts to support the needy, improve their condition and assure security for wage earners? What realistic alternatives have been proposed?

Critics attack current welfare programs as wasteful and ineffective, and inducements to live on the government dole. Less welfare, they argue, will produce greater self-reliance.[25] And they have introduced legislation to Congress that seeks to combat poverty through private-sector jobs programs rather than direct assistance.[26]

In light of this criticism, it is important to investigate how welfare actually affects its recipients. Does it, in fact, trap them into a long-term cycle of poverty? The best research on this issue to date, by the University of Michigan's Institute for Social Research, provides some surprising answers to this question.

ISR researchers estimate that over a 10-year period, about one quarter of all American families have received at least some welfare. Few, however, had such grants for extended periods of time. Less than 10 percent received public aid for five of the 10 years studied, and less than 5 percent were covered for eight of the 10 years. In sum, welfare use for temporary periods if fairly widespread, but continuous grants are relatively rare.

Moreover, ISR found that welfare families rarely rely on government grants for the bulk of their resources. Most use it to supplement wages and other income. The stereotypical welfare family that depends on the government for its living expenses over long periods of time is actually a rare phenomemon in American life.

The demographic characteristics of welfare families, the ISR researchers found, resemble closely the poor families described earlier: Temporary grant recipients are much like the general population in family and ethnic makeup; long-term welfare families tend to be black and headed by a woman.

Research also reveals that welfare tends to be used most by those most in need. It has a much greater effect in reducing persistent than temporary poverty, though many more families use grants to meet a temporary crisis and then resume self-sufficiency.[27]

The welfare system, in short, is far from the total failure its critics charge it to be. Those who need it most get the bulk of public aid, and most families that benefit from it do not become dependent on the dole. Nevertheless, a minor but still significant portion of the welfare population, made up largely of black and female-headed households, use the system persistently and are caught in a continuing cycle of poverty.

Studies by the University of Wisconsin's Institute for Research in Poverty confirm that, in drawing conclusions about the welfare system, it is necessary to differentiate among populations requesting aid. Not everyone is equally needy, nor does everyone have the same alternative options for support.

The chief conclusion of these studies is that reducing poverty requires both increased chances for employment and continued welfare grants. For non-aged men, self-support is best gained by strategies that enhance employment opportunities. On the other hand, the only realistic way to maintain the elderly above the poverty line is through government aid. Indeed, in the past 15 years, poverty has fallen more dramatically among the aged than among any other segment of the population -- a trend due almost entirely to increases in Social Security and Supplemental Security Income.

It is more difficult to devise a consensus strategy for a third group, the female heads of households. Some insist they must work and arrange care for their children, while others would provide grants enabling them to stay at home, especially if their children are very young. The University of Wisconsin group, on the whole, sees the need to provide government aid, at least to a large portion of this group, since increased labor-market opportunities have not improved their condition significantly in the past.

Arguments persist about who fits into which category. June O'Neill of the Urban Institute, for example, agrees that jobs are the best poverty-reduction strategy for able-bodied men and public programs the best for the aged. She argues that economic growth could also draw more female heads of households into the labor market if the jobs it provided paid enough and matched the skill levels of current welfare clients. Public aid need not, in her view, be the only option for female-headed families.[28]

In any case, the overall conclusion is that a realistic approach to reducing poverty will have to include provisions for jobs for those who can work and public assistance for those who can not.[29] As recent research demonstrates, welfare programs initiated under the New Deal and the Great Society provide necessary help to the aged and disabled, and possibly to female heads of households, who would have little economic security without them;[30] and despite the criticism leveled at them, these social-policy initiatives have accomplished at least some of their goals.

Nevertheless, even their most fervent supporters must admit to serious problems in their functioning. The New Republic, in two articles in August and September 1985, outlined two categories of complaints against current welfare programs. First, for all their expense, they fail to accomplish such basic social goals as adequate income, health and nutritional care for all citizens.[31] Second, funds are often spent inefficiently, with benefits varying greatly from state to state, programs operating with inconsistent effectiveness, and inadequate safeguards against manipulation or outright dishonesty.[32] These problems must be addressed if the public is to regain confidence in the integrity of its social welfare system.

Social-insurance programs for the non-poor suffer many of the same problems. Coverage under Social Security is nearly universal, and many observers see little challenge to this program for the next 75 years.[33] Others, however, warn that serious problem of coverage and efficiency are likely to develop as the ratio between retirees benefiting from the system and the workers paying into it rises sharply. These observers hold that the Social Security system will, in the not-too-distant future, have to choose between adequacy -- providing significant benefits to low-wage earners -- and equity -- providing all beneficiaries a meaningful return on their investment. Clearly, either choice will dissatisfy a great many people.[34]

Identifying problems is always easier than solving them. Many of the perceived shortcomings of welfare could be addressed by additional funding, but current pressures in Washington are to reduce, not increase, program budgets. For example, the disparity of coverage from one state to another could be partially solved by mandating that all recipients of Aid to Families with Dependent Children and food stamps receive a minimum benefit totaling at least 65 percent of the federal poverty line. Such a rule, however, would cost federal and state governments an additional $2.7 billion, according to Congressional Budget Office estimates; and other attempts to close gaps in coverage or raise additional numbers out of poverty would entail similar significant increases in costs.[35] Nonetheless, the following steps, all entailing trade-offs between costs and benefits, have been suggested to increase the fairness and coverage of welfare benefits:

-- Achieve greater benefit uniformity across state programs.

-- Increase work incentives by continuing the grants of welfare recipients for a period after they begin gainful employment.

-- Expand health, nutrition and Head Start programs for poor children.

-- Require welfare beneficiaries to enroll in employment training and counseling programs.

Hard choices will also have to be made in resolving the Social Security dilemma. Here, too, the choices involve reducing benefits or increasing costs. Options include limiting cost-of-living increases, raising the retirement age or bringing new money into the system by increasing the Social Security tax or using general tax revenues to meet shortfalls in the retirement fund. Whether the issue is welfare or Social Security, future social-policy strategies will be difficult to devise and implement.

JOB-CREATION PROGRAMS

If there is one point on which liberals and conservatives agree, it is that, to the extent possible, poverty should be relieved by providing jobs for all who can work. Thus, at least part of meaningful social policy must include ways to encourage self-sufficiency through employment.

Rep. Jack Kemp (R, N.Y.) has articulated this vision in a number of speeches calling for a combination of government actions to stimulate the private sector to create jobs. His proposals include tax reductions, the waiving of minimum-wage laws for youths, the creation of urban enterprise zones in central cities, and the use of fiscal and monetary policy to stimulate business growth. Kemp describes his overall approach to the poor as strengthening "their stake in the system of democratic capitalism."[36]

The creation of urban enterprise zones has come to symbolize this approach to social policy. Several states have already enacted, and the Congress has under consideration, the designation of particular areas of a central city for a combination of tax credits, government-backed loans, eased regulations, training programs and investment incentives in efforts to attract businesses which would hire local workers. Early state experiments with this strategy for stimulating growth and generating jobs for hard-to-employ workers are encouraging, and the proposed federal legislation for urban enterprise zones has bipartisan support.[37]

Recent experiments making employment or job training a condition for receiving welfare have, in some states, increased the number of poor who seek jobs. The Reagan Administration's reduction in the amount of money individuals can earn and still remain eligible for public assistance has not, as some had predicted, caused fewer people to seek work. While many such workers live in precarious conditions, preliminary research shows that people who have left the welfare rolls retain their jobs and do not return to dependency.[38]

While job stimulation and private-sector solutions for the poor need to be encouraged and increased, questions remain about how far this strategy can go in relieving poverty or responding to social-policy challenges. As noted earlier, employment is not a solution to need among the elderly, disabled and, perhaps, mothers with small children. This approach also has a number of other drawbacks as a total answer to the problem of poverty. To understand this, it is necessary to examine the effects of some recent government actions designed to protect earnings by regulating the economy.

It is often argued that inflation hits the poor especially hard, and that therefore vigorous government action to prevent inflation and to restore a sound economy will help the disadvantaged more than any other antipoverty program. Recent research, however, raises some caution in this regard. Two University of Michigan economists, drawing on 1981 income data, argue that while moderate economic slowdowns may help most people in inflationary periods, serious downturns are most harmful to people with few reserves. "Whatever harm inflation brings to the poor, fighting inflation by bringing on a recession brings a good deal more," they conclude. In their view, attention must be focused not only on preserving private-sector jobs by reducing inflation, but also on protecting the poor from the unemployment and dislocation this strategy is likely to cause.[39]

One positive by-product of an increased employment effort is the enrollment of more people in private employee-benefits plans, thus shifting the task of providing economic security from the government to the private sector. As more workers are covered by private plans, however, public and political pressure must be maintained to improve government programs for people who cannot work, and to assure that there is no lessening of commitment to people in need of public supports.[40]

Further, a strategy focusing on employment rather than aid to people who cannot work could seriously affect the network of agencies providing for clients in need. Social-service organizations tend to be extremely sensitive to political and legislative trends. If they perceive that the public and their funding sources place greater emphasis on employment programs rather than on aid to the aged and disabled or to single-parent families, they, too, are likely to shift their emphases in that direction, and programs directed to the persistent poor may decline. Such a development would deprive the needy of valuable resources and must be avoided in the construction of a coherent social-policy program.[41]

Finally, a job-generating approach to poverty raises the issue of minimum-wage laws and their effects on minority youth. Some analysts have argued that such laws cause high unemployment among blacks in their teens and 20s, because they price such potential employees out of the job market. Others challenge this assumption, pointing out that youth employment has not risen since the 1970s, even though minimum wages have lost ground to inflation -- which indicates, they argue, that relative pay is not at the root of the problem.[42] In addition, some contend that reducing minimum wages for younger workers will cause adults holding low-skill jobs to be displaced by cheaper youth labor.

The overall effect of these cautions is to delineate, but not oppose, an employment approach to the poor. Jobs programs, through efforts to encourage business growth, merit wide support. But social-policy planners must take into account the fact that a significant proportion of the poor is too old, disabled or saddled with other responsibilities to benefit much from these efforts.

FAMILY ISSUES

Data cited earlier in this paper point directly to the family as a key element in any social-policy effort. Poverty and deprivation are increasingly centered in families headed by women. Any comprehensive strategy to meet human needs and stimulate long-term self-sufficiency must deal with this trend.

Any lingering doubt about the importance of the family to economic life chances is dispelled by recent findings reported by the University of Michigan's Institute for Social Research. In studying the well-being of the American population, ISR discovered that no factor -- be it education, attitudes or participation in the job market -- affects economic status as much as family composition. Intact families do well. Family breakups due to divorce, separation, out-of-wedlock births or death have devastating economic effects.[43]

Increasingly, welfare experts are focusing on this factor as a key to the solution of poverty problems. Even in the black community, where poverty is disproportionately high, intact families improved economically during the 1970s, while female-headed households regressed. The growing trend toward family breakup and out-of-wedlock births threatens to defeat all initiatives to combat dependency.[44]

An issue engaging the increased attention of policymakers and analysts is how to deal with the effects of family breakup due to divorce or dissolution of a relationship. Indeed, one of the widely praised initiatives of the Reagan Administration has been its crackdown on fathers who fail to make child-support payments to the families they have left. Still, such enforcement efforts, while worthwhile, offer only a limited means of providing adequate resources for female-headed households. Many of these men are themselves poor and cannot give substantial sums to former partners and their children even if they want to. This leaves the mother with no alternative but welfare. Researchers at the University of Wisconsin's Institute for Research in Poverty have proposed a different approach. They recommend that absent parents pay a child-support tax, which would be used to fund an insurance system that would guarantee a minimum level of support to all children in homes with an absent parent. While the tax collections would probably not raise enough to make the system self-sustaining and part of the support payments would still have to come out of general revenues, the researchers predict that the cost of such a program would not exceed current welfare expenditures. The plan would have the great advantage of treating children in single-parent families as insurance beneficiaries, rather than stigmatizing them as welfare dependents. It may merit pilot programs to test its feasibility.[45]

Even more difficult are the problems of teenage parents. Statistics on youth pregnancies are truly frightening. In 1980, U.S. teenagers bore 562,330 babies. (Since a great many pregnancies are terminated by miscarriage or abortion, the number of conceptions was much higher.) Half of these babies were born out of wedlock, and the proportion continues to rise every year. Nearly 5 percent of all white and 10 percent of all black girls aged 15-19 have had babies. The rate of pregnancy for girls under 15 is also growing rapidly. Having few other resources, these are the families who most often resort to welfare. Mothers who had their first baby as a teenager account for over half the budget of Aid to Families with Dependent Children. These women are also more likely than others to drop out of school, have more babies and acquire other traits that make escape from poverty extremely difficult. Finally, teenage mothers tend to suffer from a complex of problems that includes physical and mental-health difficulties, depression, and alcohol and drug abuse.[46]

Such a complex and widespread problem requires a number of different approaches. At least three distinct kinds of programs, requiring coordinated interaction, have been put forward.

Since young mothers and their babies make up such a large and growing proportion of the poverty population, policy analysts stress the need for improved sex education and easier access to contraceptive services. Researchers report a widespread "ignorance of the risk of pregnancy and also ignorance of the availability of low-cost contraceptives,"[47] and note that this information is even more lacking among boys than among girls.

A second series of programs center on bolstering the self-esteem and skills of teenage mothers. Many have babies because they feel their life chances so poor that they have nothing to lose by becoming pregnant. They need help and encouragement to stay in school, train for jobs and receive quality counseling about their future. Above all, they have to be convinced that realistic improvements in their lives are possible if they work toward them.

Finally, teenagers, both male and female, need a greater degree of integration into the American values system. This goal is both the hardest to define and the most important aspect of any work in this area. Creating a stable family depends on a belief in the importance of commitment and responsibility. Many social-policy specialists neglect this point, leaving the values perspective to be monopolized by groups like the Moral Majority. Yet, family life, which has such a great impact on social policy, cannot be successfully addressed without an emphasis on values. Effective programs in this area must provide not only contraceptive information, education and support for parents who need aid, but also an appreciation of, and a commitment to, the importance of a family.

VALUES AND COMMUNITY

Social policy requires two types of action. On the one hand, it is necessary to mount effective and sensitive programs to support the poor, create jobs, reduce the vulnerability of single-parent families and protect Social Security. At the same time, it is equally important to make certain that social-policy programs reflect core Americans values and community commitment.

Increasing attention is now centering on the values that will help the deprived to escape want. It is important not only to provide support but to insure that when opportunities for a better life present themselves, there will be the will and the capacity to take advantage of them. Writing on ways to improve the life chances of blacks, two community analysts recently concluded, "Black America needs a nationwide effort, now, to insure that all black people -- but especially black youths -- are free to express their intellectual gifts." This goal, the writers argue, depends on setting high expectations for achievement, developing positive attitudes toward intellectual competition and enhancing confidence in individual ability to succeed.[48] Programs to aid the poor and provide security for all must be generous; but we must also aim to assure that people who need help are motivated and able to improve their own lot.

If individual values are a critical component of a broad social-policy strategy, so is community commitment. Providing aid, opportunity and security requires Americans to view themselves as a united group with a sense of communal responsibility.

Recent writings on American society have expressed great concern about the increase in self-centeredness and the waning of our sense of community. From a liberal point of view, Robert Bellah and his associates have noted and criticized the increase in individualism and decline of commitment,[49] and Michael Walzer has sought to define the conditions of community and responsibility in modern society.[50] Conservative William Schambra has made the case for smaller-scale, local communal associations,[51] and Richard Neuhaus and Peter Berger have argued that, where possible, social problems should be addressed through the mediating institutions of family, ethnic group, neighborhood and community.[52] However much these varied perspectives differ in scale and approach, they all seek to affirm the importance of a sense of communal responsibility in dealing with social problems.

CONCLUSION

To approach social-policy issues realistically, a sense of balance and appreciation for the complexity of the issues is urgent. Programs are needed that can support the needy and, at the same time, promote self-reliance among those who can work. They must address those needing long- or short-term help, and differentiate among particular populations, such as able-bodied workers, the elderly and single-parent families. Operations need to aim at effectiveness, to function fairly and -- in the case of Social Security -- to guarantee equity and adequacy for people who have paid into it. Compassion and efficiency must both figure in the design of programs, reflecting the core American values of individual responsibility and social commitment.

Designing a system that embraces these diverse objectives will, beyond doubt, be a difficult task. But we must work to achieve this goal if we are to develop a social policy that provides decent support, encourages self-sufficiency, assures security for all, and projects the basic principles of our American society.

Mr. **Elenoff**. We undertook that effort for several important reasons: First, as an organization dedicated to promoting economic and social justice, AJC believes that the nation must vigorously attack the problem of poverty. Census Bureau data indicate that poverty remains close to its highest level in two decades despite a slight drop in 1985.

A disproportionate number of the poor continue to be minorities or those who live in female-headed households. And perhaps the most troubling is that nearly one-fourth of the nation's children under six now live in poverty.

Second, we have been concerned about the polarization of the debate over the social policy, a polarization that has paralyzed consensus building around constructive policy approaches. We hope that the principles and guidelines presented to you this morning can help to break that impasse.

Third, we believe that religious teachings have a special role to play in advancing attention to social policy issues, like the important discussions sparked by the Catholic Bishops' Pastoral Letter, we would hope that the remarks in our report, "The Poor Among Us," is a means of stimulating such awareness.

The American Jewish Committee advocates an approach that stresses both the proper role of government in providing adequate support for those who cannot support themselves and the need for individuals who can support themselves to attain self-sufficiency. We also espouse the need to examine costs and benefits of specific programs, to recognize the diversity of the poverty population, to identify appropriate roles for State and local governments and mediating institutions, and to evaluate their efficacy.

Jewish traditions and teachings provide other guiding principles, such as the importance of preventative approaches to problems. Applying our principles to the issue of welfare reform, AJC believes that benefit levels should be closer to the poverty line and more equitable and consistent across state lines, not unlike Ms. Dalrymple's guidelines.

We also advocate changes that would eliminate disincentives to work and to maintaining families. The AJC fully supports mandatory or voluntary training and employment programs for AFDC recipients who can work. We do not support one type of approach, mandatory or voluntary, over the other, but would suggest flexibility. A vital component of any such program is the concept of a mutually binding contractual agreement in which the government agrees to provide vital support services and the client agrees to strive for self sufficiency. We reject the comments that suggest that that kind of a social contract is fatuous in concept. We believe that it should be tried and that it can work, borne out of the self-respect of people themselves.

Transitional child care and health care must be an integral part of any program geared to moving welfare recipients into employment.

Finally, it is important to recognize that work programs will not be a panacea. Some welfare recipients will be unable or should not be expected to work, while still others, particularly those without skills or work experience, will find it difficult to successfully move out of welfare and into employment. AJC also believes that the federal government must focus on family-related issues that have direct relevance to welfare.

First, child support enforcement requirements should be more vigorously enforced. Careful consideration should be given to innovative programs such as the experimental Child Support Enforcement Program now being implemented in Wisconsin.

A second concern is the alarming rate of teenage pregnancy, which often leads to dropping out of school, welfare dependency, and poverty. Data comparing the United States with other developed nations suggest that societal attitudes regarding sex education and the availability of contraception are important components in responding to the problem.

However, preventative strategy must also address the complex but important issues of values. We look forward to your ultimate word on legislation in this area. We appreciate the care and concern which you have been giving it over a long period of time; and we hope that you will grapple with it in submitting legislation in the future.

Senator MOYNIHAN. I thank you, sir. I see that you have a friendly remark for Representative Ford's legislation, the Family Welfare Reform Act of 1987. We are tracking very carefully with them. We will have our legislation in in about two weeks time. The Senate then has to wait on the House in this matter.

The House has passed the bill in the Ways and Means Committee.

You made an important point about the notion of a contract. Out in California, the GAIN Program as it is called—that is an acronym—there is an actual contract between the county and the welfare recipient; one agrees to do this and the other agrees to do that. They have a 3-day cooling-off period. If you say you are going to learn Greek, Latin and French during the first year, then you have three days to think about it. And there are occasions when there are disputes.

I find that a dignified approach to this matter, as Mr. Elenoff seemed to indicate. Ms. Dalrymple? Mr. Latty? Mr. Loken?

Mr. LOKEN. Senator, I think at Covenant House, our program was built to a certain extent on rejecting the idea of contract as opposed to Covenant, where the promises are mutual, but they are not mutually dependent. In other words, we will continue to honor our side of the bargain, even if the young person comes in and fails.

But in the larger picture of the welfare system, I think that you make a valid point. Reinforcing a sense of personal achievement, a sense of personal movement is crucial, and I think that contracts can play a role in that. Certainly, in terms of Covenant House, we try to form special covenants sometimes with the kids to move them toward greater personal planning and greater self-sufficiency. So, "contracts" can have value.

Senator MOYNIHAN. Covenant House is, by definition, very special. Only very special people can do that kind of work and will do that kind of work. Thank God there are the likes of such persons; but if you are trying to think in terms of what a Government can do, well, the governments aren't very good at covenants——

[Laughter.]

Senator MOYNIHAN. Ms. Dalrymple?

Ms. DALRYMPLE. The association board will be meeting next week and will be looking in depth at the whole welfare reform issue. So, right now, we have——

Senator MOYNIHAN. There are different ways in which one can manifest this notion, but Mr. Latty, it seems that you have the idea that "we are both responsible parties." We have mutual responsibilities in this society.

Mr. LATTY. I would agree that we have mutual responsibilities. Again, we are talking from the perspective of Covenant House, and there is that covenant—that contract—that is going to work both ways, and we are going to rise above——

Senator MOYNIHAN. A contract is a kind of a secular covenant, isn't it?

Mr. LATTY. In a manner of speaking, exactly. Exactly. Of course, working with kids, when they are aged 19 or 16 or 17, there are going to be breakdowns in that.

Senator MOYNIHAN. Oh, heavens yes. I mean, how you do it, I don't know. Thank God you do.

Thank you all. I want to thank this panel so much. I know Mr. Cusick does also. Your statements have been exemplary. If we do succeed in Government it is going to be because people like you set examples for us. We thank you very much, and we will hear from you about your board meeting, will we not?

Ms. DALRYMPLE. Yes.

Senator MOYNIHAN. If you get the recommendations in time, we can make them a part of this record. But don't worry about the record. Just get it to me.

Ms. DALRYMPLE. All right. Great. Thank you very much.

Senator MOYNIHAN. Thank you very much. Thank you for coming down.

And now, our concluding witness is Dr. Joseph S. Murphy. Dr. Murphy is the distinguished, renowned Chancellor of The City University of New York. We welcome you, sir. We have your statement, which we will put in the record as if read. Were you here when Councilwoman Messinger was making her case?

Chancellor MURPHY. I have read her statement, Senator. I know what she said. She has been saying that well and intelligently and with our data for some time.

Senator MOYNIHAN. Good. Agreed.

STATEMENT OF HON. JOSEPH S. MURPHY, CHANCELLOR, THE CITY UNIVERSITY OF NEW YORK; NEW YORK, NY

Chancellor MURPHY. Thank you for your warm welcome, Senator and members of the subcommittee; and thank you for giving me this opportunity to testify on the concept of welfare reform and specifically on the issue of the education and training components which are a part of virtually every welfare reform proposal now before the Congress.

We at The City University of New York naturally have a deep interest in the question of how our public assistance programs work and how they can be made to work better.

As you know, ours is an institution which serves a population that can be characterized as predominantly economically disadvantaged. Half of our students come from families in which the total annual income is less than $12,000 a year, which means in New York City that half our students live near or below the poverty line.

Eighty percent are eligible for and receive financial assistance. Approximately 10,000 of a total enrollment of 180,000 receive public assistance. For these young people and some who are not so young and for people like them attending public universities across the United States, higher education represents a last best opportunity to move out of poverty and of uncertainty and into the mainstream of American economic life.

The City University of New York graduates about 15,000, who will emerge this month, who enter the work force with skills and credentials the employment market demands. If this year is like others in the recent past, 85 percent of them will be employed a year from now at an average salary approaching $20,000.

More importantly than that in my view is the fact that these 10,000 people leave us with some capacity of a critical comprehension of how our society operates and how to make social change happen. They understand to a degree that might surprise many people here the dynamics of the political and economic systems that created so many barriers for themselves and their families.

But they also recognize the ways in which an enlightened government can establish and implement programs of constructive support for those in need. Public assistance can become one such program. The clear national concensus exists within and outside of the academy that it is not one now.

In this committee's efforts to restructure welfare to make it meet positive objectives, you are appropriately exploring the linkage between income maintenance and education, operating I suspect on a very valid assumption that in the long run an investment in training for welfare dependent individuals will result in a sharply reduced need for public assistance.

I have come here this afternoon with one simple plea: Do not, I implore you, succumb to the temptation to define or prescribe training in its narrowest sense. Do not write the law in such a way that training refers only to short-term job specific, immediate employment-oriented vocational course work. Do not preclude individuals now on public assistance from receiving full education opportunities to which they are morally entitled in a democratic society and without which they are doomed to lives of continued dependence.

Do not take that course because it would lead to an ultimate failure of policy and the frustration of purpose. Over the long haul, it would serve to consign public assistance recipients to the bottom rung of the economic ladder at a time when the American economy is changing in a revolutionary way. The employment opportunities that exist in 1987 and even the occupational groupings may very well not exist 20 years from now. People will need more than basic literacy and computational skills to make the necessary adjustments.

They will need a grasp of science and literature, politics and economics to help guide society and find their place in it. Those whose training stops at a high school equivalency degree or at the end point of a vocational technical course may very likely find themselves as unable to cope a generation from now as most welfare recipients are at the present. Mr. Chairman, the goal we all support is one of lifting as many people as possible not just off the welfare rolls but out of the cycle of poverty. For some, but not all, of those currently dependent on public assistance, the wisest and most cost-effective means to this end is a full-fledged program of study leading to the baccalaureate degree, the same course of study that now represents the norm for most Americans from middle class families.

The baccalaureate is now and has been for 20 years or more a credential that serves as a pass of exit out of the national underclass. More important, the education that credential represents continues to be the best guarantee currently available for sustained middle class status.

Legislation such as that proposed in the House of Representatives by Congressman Hawkins recognizes the reality. His bill, H.R. 30, stipulates in explicit language that individuals pursuing an undergraduate education on at least a half-time basis and making satisfactory progress in their studies are fulfilling Federal employment preparation requirements for maintaining public assistance eligibility.

I hope that this approach, if not this specific language, can be embodied in whatever bill ultimately emerges from the Senate. There may be some objections to this concept. If I may, I would like to anticipate and respond to three of them.

One is that those bright and ambitious enough to be in college are bright and ambitious enough to work their way through school without welfare support. The answer to that objection is, in a word, children. The public assistance population we are talking about consists to an overwhelming degree of single mothers and dependent children from whom the burden of work plus child care plus college attendance is an unrealistic one. Precluding such people from public support while in college is, in effect, precluding them from college all together.

The second objection is that some public assistance recipients may, in the absence of tight regulations to the contrary, opt to enroll in programs—particularly in the liberal arts—with no specific vocational focus. What benefit is there, some may ask, in training a welfare mother in philosophy? My response to that is that it raises a false dilemma. A vast array of jobs, particularly in the public sector, require a baccalaureate degree as a credential but stipulate no specific field. The major is far less important to the employer than the evidence of the applicant's ability to complete a large body of work.

Moreover, it is hard to predict where various kinds of training will lead. As one who received a degree in philosophy, whose family was on relief, and who somehow managed to stay off the welfare rolls in the years that followed, I can attest to the potential economic value of training even in esoteric fields.

You will recall, Senator, that welfare used to be called "relief" when you and I were young.

Senator MOYNIHAN. Yes, sir.

Chancellor MURPHY. A third objection is that allowing continuation of welfare payments to students enrolled in college may open the floodgates to those who would abuse the system. I would respond to that by saying that anyone willing to meet our university standards and fulfill our requirements, remaining in good academic standing over a period of years, is no freeloader. He or she is instead someone whose persistence and intellectual capacity merits the tolerance and support of the community and who represents a good economic investment.

Undoubtedly, other objections may be raised; but as you, Mr. Chairman, know better than anyone, no proposal to reform system would satisfy all constituencies or resolve all of the problems engendered by poverty and inequality. But some proposals will move much further toward those goals than others. What we at The City University of New York ask for on behalf of ourselves and the colleges like us across the Nation is a system of public assistance that offers genuine opportunity to those for whom opportunity has long been an illusion, one that recognizes that for many of the Nation's poor a college education represents a realistic means to economic advancement.

Welfare, like education, should serve to liberate those trapped in the prison of dependency. Working in conjunction with one another, our public assistance system and higher education system can, I believe, serve that liberating goal.

Thank you for the opportunity to make these comments to you this afternoon.

Senator MOYNIHAN. We thank you, Chancellor. Now, let me see if I can get just one thing clear. Ruth Messinger said that you now have 15,000 persons who are enrolled in The City University who are being supported by the AFDC Program?

Chancellor MURPHY. That is correct. Our numbers are slightly different; mine was 10 and hers was 15.

Senator MOYNIHAN. But I mean, there are a lot?

Chancellor MURPHY. Yes, and that includes part-time as well.

Senator MOYNIHAN. And it works.

Chancellor MURPHY. It works.

Senator MOYNIHAN. I mean, they graduate.

Chancellor MURPHY. You might say some of our institutions are among the most efficient machines or factories for the conversion of people who are on welfare to become tax-paying citizens living out useful social lives.

Senator MOYNIHAN. Tom Cusick is nodding in agreement. I started out to be a City College graduate, but the Second World War got in the way. You know, it is just so self evident. Anyone who gets through a 2-year course, much less a 4-year course, and gets a degree is not a person who is going to be living on welfare. He or she is going to be employed. Do you have to make any special efforts? Well, I realize there are special efforts with any student. But it works.

Chancellor MURPHY. We think it works. We believe that none of those students who take degrees in our institution and who end up often in areas of our economy in which there is considerably scarcity—as for example, we are the principal producers of nurses. Large numbers of these are women with children. Many of them were on welfare. Some 1,800 nurses who were hired in New York City in the last 6 months, well over 1,000 of them were graduates of colleges in The City University of New York. Most of them are RNs after 2 years.

It takes them often three and four to do a 2-year course for which they ought to get an A for persistence and courage and determination; and they go from welfare into $22,000 a year jobs with the Health and Hospice Corporation.

They know that that is possible; and when one does it, there are 10 who want to try. The only thing that stops more from making it is opportunity and the kinds of barriers that get put in their way that are bureaucratic and insensitive to the kinds of needs they have.

Senator **Moynihan**. Well, a more forceful case I can't imagine being made here. Now I am going to have to attend to the courtesy of our hosts, the court.

Mr. Cusick, we thank you so much for joining us and extend our regards to your president of the city council.

Mr. **Cusick**. Thank you, Senator.

Senator **Moynihan**. And thank you, Mr. Murphy. We will look into post-secondary education specifically as we get into this legislative role. Thanks to all of you for being here, and with that, we will officially close this hearing of the Subcommittee on Social Security and Family Policy.

[Whereupon, at 12:30 p.m., the hearing was concluded.]

[The prepared written statements of the witnesses and other communications follow:]

Statement By

NYC Council President Andrew Stein

JUNE 15, 1987

GOOD MORNING.

ONCE AGAIN I WANT TO THANK SENATOR MOYNIHAN FOR INVITING ME TO CO-CHAIR THESE NEW YORK CITY HEARINGS OF THE SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY OF THE SENATE FINANCE COMMITTEE.

IT IS FITTING THAT HEARINGS ON LEGISLATION TO REFORM THE CURRENT SYSTEM OF CHILD SUPPORT SHOULD BE HELD HERE. I SAY THIS SOMEWHAT SADLY. AFTER ALL, WHAT MAKES THIS CITY SUCH AN APPROPRIATE LOCALE FOR THESE HEARINGS ARE THE RISING INDICATORS OF POVERTY AND MISERY WE HAVE BEEN RECORDING OF LATE.

IN THE FIVE YEARS BETWEEN 1979 AND 1984 THE NUMBER OF POOR PEOPLE IN THE CITY ROSE FROM 1.4 MILLION TO 1.7 MILLION. AND DESPITE THE EXPANDING NEW YORK ECONOMY OF THE LAST TWO YEARS THE NUMBER OF POOR PEOPLE CONTINUED TO GROW. AN ARTICLE IN THE NEW YORK TIMES LAST WEEK WAS HEADLINED "THE POOR (MEANING NEW YORK'S POOR) CLIMB TOWARD 2 MILLION."

THE MOST OMINOUS TREND, OF COURSE, IS THAT MOST OF THE GROWING RANKS OF POOR ARE CHILDREN. IN THE CITY TODAY THERE ARE OVER A HALF MILLION CHILDREN ON PUBLIC ASSISTANCE. ONE OUT OF EVERY THREE CHILDREN IN OUR PUBLIC SCHOOLS IS ON WELFARE. AND SENATOR MOYNIHAN HAS CALCULATED THAT ONE OUT OF EVERY TWO CHILDREN BORN IN THE CITY IN 1980 CAN EXPECT TO BE ON WELFARE BEFORE THEY GRADUATE FROM HIGH SCHOOL. OF COURSE, MOST OF THEM WILL NEVER GRADUATE FROM HIGH SCHOOL.

OUR MAJOR NATIONAL WELFARE PROGRAM IS CALLED AID TO FAMILIES WITH DEPENDENT CHILDREN. HOW EFFECTIVE COULD THAT PROGRAM BE IF IN THIS, THE RICHEST CITY IN THE COUNTRY, ALMOST 12,000 CHILDREN ARE LIVING IN DECREPIT SHELTERS FOR THE HOMELESS? HOW MUCH AID COULD THE CITY'S POOR FAMILIES BE RECEIVING IF COUNTLESS NUMBERS OF CHILDREN REMAIN IN FOSTER CARE, SOLELY BECAUSE THE WELFARE HOUSING GRANT IS SO INADEQUATE THAT THEIR NATURAL PARENTS CANNOT

AFFORD HOUSING? AND HOW MUCH AID GETS TO THE CITY'S DEPENDENT CHILDREN IF EVERY YEAR OVER 30,000 TEENAGERS BECOME PREGNANT?

WHAT IS HAPPENING TO OUR PUBLIC SCHOOLS PROVIDES THE MOST GRAPHIC DEMONSTRATION OF THE INADEQUACY OF CURRENT WELFARE PROGRAMS.

PUBLIC EDUCATION USED TO BE THE SINGLE BEST INSTRUMENT TO GET POOR FAMILIES OUT OF THE CYCLE OF DEPENDENCY. WHAT WE NOW CALL "WELFARE REFORM" USED TO BE ACCOMPLISHED BY THE PUBLIC SCHOOLS. FAMILIES WHO COULD GET THEIR CHILDREN THROUGH SCHOOL AT LEAST GUARANTEED THAT POVERTY DID NOT BECOME PERMANENT AND MULTIGENERATIONAL. AND FOR THOSE CHILDREN WHO DID NOT SUCCEED IN THE SCHOOLS THERE WAS ALWAYS THE POSSIBILITY OF MANUAL LABOR AT A LIVING WAGE.

THAT IS NO LONGER THE CASE.

THE CHILDREN PRESENTLY FAILING IN OUR SCHOOLS WILL BE WITHOUT THE SKILLS NEEDED TO PERFORM A JOB IN AN INCREASINGLY TECHNOLOGICAL AND SERVICE ORIENTED ECONOMY. ON THE OTHER HAND, FEWER AND FEWER MANUAL LABOR JOBS PAYING A LIVING WAGE WILL BE AVAILABLE.

THE EXTRAORDINARY CHALLENGE FACING THIS CITY, AND INDEED THE COUNTRY, IS TO AGAIN DO WHAT THE PUBLIC SCHOOLS ONCE ACCOMPLISHED. GOVERNMENT PROGRAMS THAT NOW SIMPLY SUPPORT A MINIMUM LEVEL OF SUBSISTENCE MUST BE TRANSFORMED INTO AN EFFECTIVE INSTRUMENT FOR MOVING THE POOR OUT OF DEPENDENCY.

THIS IS WHAT THESE HEARINGS ARE ESSENTIALLY ALL ABOUT.

AT OUR LAST SESSION, SIX WEEKS AGO, WE HEARD TESTIMONY

DEMONSTRATING THAT SOCIAL SERVICES SUCH AS DAY CARE, HOMEMAKERS, PARENTING EDUCATION, TEENAGE COUNSELING -- AND OF COURSE HOUSING -- MUST BE AN ESSENTIAL COMPONENT OF ANY SERIOUS WELFARE REFORM EFFORT.

TODAY WE WILL BE HEARING A GREAT DEAL MORE ABOUT WHAT A REFORMED NATIONAL WELFARE SYSTEM OUGHT TO LOOK LIKE. OUR WITNESSES WILL FOCUS ON ISSUES SUCH AS JOB TRAINING AND EDUCATION PROGRAMS AND BETTER CHILD SUPPORT ENFORCEMENT.

SENATOR MOYNIHAN HAS MADE THE ESSENTIAL POINT THAT OUR CURRENT WELFARE PROGRAMS ARE A RELIC OF ANOTHER ERA -- WHEN MOST CHILDREN LIVED IN TWO PARENT HOUSEHOLDS, IN WHICH ONE PARENT WORKED AND THE OTHER KEPT THE HOUSE TOGETHER. THE PROGRAM WAS DESIGNED TO TEMPORARILY ASSIST WIDOWS WITH YOUNG CHILDREN.

WE KNOW JUST BY LOOKING AROUND THIS CITY THAT THE PROGRAM HAS FAILED TO STEM THE TIDE OF FAMILY DISINTEGRATION AND INTERGENERATIONAL POVERTY. I CONGRATULATE THIS COMMITTEE AND ITS CHAIRMAN FOR THEIR WILLINGNESS TO UNDERTAKE THE DIFFICULT TASK OF DEVELOPING NEW LEGISLATION THAT MIGHT HELP THE POOR BREAK THE BONDS OF DEPENDENCY.

IF YOU ARE SUCCESSFUL IN THAT EFFORT THE EFFECTS WILL BE POWERFULLY FELT THROUGHOUT THIS CITY.

TESTIMONY BY MAYOR EDWARD I. KOCH
SENATE FINANCE SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY
1 FEDERAL PLAZA
MONDAY, JUNE 15, 1987 9:30 A.M.

GOOD MORNING.

MY NAME IS EDWARD I. KOCH. I AM THE MAYOR OF NEW YORK CITY. I WOULD LIKE TO THANK SENATOR MOYNIHAN AND CITY COUNCIL PRESIDENT STEIN FOR THE OPPORTUNITY TO APPEAR HERE TODAY TO DISCUSS WELFARE REFORM.

I'D LIKE TO MAKE IT CLEAR UP FRONT THAT I AM NOT PUTTING MYSELF FORWARD AS AN EXPERT ON THE WELFARE SYSTEM OR WELFARE REFORM. I WILL LEAVE IT TO BILL GRINKER, COMMISSIONER OF THE HUMAN RESOURCES ADMINISTRATION, TO FILL YOU IN ON THE CITY'S SPECIFIC VIEWS ON HOW THE SYSTEM CAN BEST BE IMPROVED. I WILL RESTRICT MY TESTIMONY TO WHAT I KNOW BEST: THE NEED FOR ALL LEVELS OF GOVERNMENT TO WORK TOGETHER TO MEET THE NEEDS OF AMERICA'S POOR, THOSE WHO HAVE BEEN LEFT BEHIND BY THE NATION'S -- AND NEW YORK CITY'S -- ECONOMIC PROGRESS.

BECAUSE I BELIEVE THE CAUSES OF POVERTY ARE NATIONAL IN SCOPE AND ORIGIN, I WANT TO GO ON THE RECORD AS STATING THAT THE FEDERAL GOVERNMENT SHOULD TAKE ON MORE OF THE COSTS OF FUNDING

(MORE)

SUPPORT PROGRAMS SUCH AS PUBLIC ASSISTANCE AND MEDICAID. AS A FORMER MEMBER OF CONGRESS, I UNDERSTAND THE FISCAL CONSTRAINTS IMPOSED BY RECORD-BREAKING MULTI-BILLION DOLLAR BUDGET DEFICITS. BUT I ALSO KNOW THE TREMENDOUS BURDEN THAT THESE COSTS HAVE ON CITIES, SUCH AS NEW YORK, WHICH ARE HOME TO A DISPROPORTIONATE SHARE OF THE WELFARE POPULATION. IT'S ESSENTIAL THAT CONGRESS BEGIN TO RELIEVE LOCALITIES OF THIS FINANCIAL BURDEN.

WITHOUT SUCH ASSISTANCE, POVERTY WILL CONTINUE TO CAST A SHADOW OVER MOST OF THE NATION'S LARGE CITIES. UNEMPLOYMENT, UNDEREMPLOYMENT, HOMELESSNESS, DRUGS, HUNGER, AND CRIME HAVE TAKEN HOLD OF THE NATION'S POOREST COMMUNITIES AND CANNOT BE ELIMINATED SOLELY THROUGH EVEN THE BEST EFFORTS OF STATE AND LOCAL GOVERNMENTS.

I AM PARTICULARLY CONCERNED ABOUT THE WAY IN WHICH POVERTY STRIKES AT THE YOUNG. THIRTY PERCENT OF THE CHILDREN IN NEW YORK CITY LIVE IN HOUSEHOLDS THAT DEPEND ON WELFARE. FORTY PERCENT LIVE IN HOUSEHOLDS WITH AN INCOME BELOW THE POVERTY LINE.

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IF WE ARE TO LIFT FAMILIES OUT OF POVERTY AND AWAY FROM PERMANENT DEPENDENCE ON PUBLIC ASSISTANCE, WELFARE REFORM MUST DO THREE THINGS: FIRST, HELP INDIVIDUALS ENTER THE LABOR MARKET. SECOND, STRENGTHEN OUR EDUCATION SYSTEM SO THAT CHILDREN ARE PREPARED TO BECOME PRODUCTIVE MEMBERS OF SOCIETY; AND THIRD, SUPPORT THE FAMILY AS THE BASIC STRUCTURE OF SOCIETY.

THESE THREE THEMES ARE MENTIONED OFTEN IN DISCUSSIONS AND PAPERS ON WELFARE REFORM. WE MUST REMEMBER THAT THEY ARE INTERRELATED. ALL MUST RECEIVE OUR ATTENTION.

THAT SAID, I WILL FOCUS ON WHAT NEW YORK CITY EXPECTS WELFARE REFORM TO ACHIEVE. WE WANT EVERY EMPLOYABLE WELFARE RECIPIENT TO HAVE A JOB AND TO WORK TOWARD INDEPENDENCE. EVERYTHING IN THE SYSTEM SHOULD SUPPORT, REINFORCE AND FACILITATE THAT GOAL. WE MUST IDENTIFY BARRIERS TO EMPLOYMENT, SUCH AS A NEED FOR EDUCATION OR TRAINING, OR DISINCENTIVES CREATED BY THE ADMINISTRATION OF WELFARE PROGRAMS, AND TRY TO REMOVE THEM.

I WANT TO CLEARLY STATE THAT I SUPPORT REQUIRING TRAINING AND WORK-ORIENTED ACTIVITIES FOR ALL WELFARE RECIPIENTS WHO ARE

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ABLE TO WORK. I BELIEVE THERE IS AN ENORMOUS POSITIVE VALUE TO WORK THAT IS ESSENTIAL TO A PERSON'S SELF ESTEEM. WE BELIEVE THAT REQUIRING PARTICIPATION IN AN EMPLOYMENT PROGRAM IS ESSENTIAL IN SETTING THE TONE FOR WELFARE RECIPIENTS AND EMPHASIZING THAT GETTING A JOB MUST BE THEIR NUMBER ONE PRIORITY.

WE HAVE ALREADY BEGUN TO IMPLEMENT THIS KIND OF SYSTEM IN NEW YORK CITY. OUR EMPLOYMENT OPPORTUNITIES, OR "EO" PROGRAM, WHICH WE STARTED IN NOVEMBER 1985, REQUIRES EVERY EMPLOYABLE AFDC RECIPIENT WHOSE YOUNGEST CHILD IS SIX YEARS OF AGE OR OVER TO SELECT AN APPROPRIATE EDUCATION OR TRAINING PROGRAM, OR TO PARTICIPATE IN THE COMMUNITY WORK EXPERIENCE PROGRAM (CWEP).

OF THE 227,000 FAMILIES IN NEW YORK CITY ON WELFARE, 157,000 ARE EXEMPT FROM WORK RULES; 110,000 OF THESE HOUSEHOLDS HAVE PARENTS WITH A CHILD UNDER AGE SIX. THE BALANCE ARE EXEMPT PRIMARILY BECAUSE THE INDIVIDUAL IS PREGNANT, INCAPACITATED OR IS CARING FOR SOMEONE WHO IS INCAPACITATED. OF THE REMAINING 70,000 EMPLOYABLE RECIPIENTS, 36,000 ARE EITHER WORKING, ENGAGED IN AN EMPLOYMENT-RELATED ACTIVITY SUCH AS EDUCATION AND

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TRAINING, JOB SEARCH OR CWEP, OR ARE IN THE PROCESS OF BEING ASSIGNED TO SUCH ACTIVITY; 30,000 ARE AWAITING EMPLOYABILITY ASSESSMENTS; AND 4,000 ARE CURRENTLY UNDER SANCTION OR ARE IN THE SANCTION PROCESS FOR FAILURE TO COMPLY WITH FEDERAL AND STATE WORK RULE REQUIREMENTS.

COMMISSIONER GRINKER WILL DISCUSS IN HIS TESTIMONY OUR PLANS TO FURTHER EXPAND OUR WELFARE-TO-WORK EFFORTS.

SOMETIMES WELFARE REFORMERS TALK ABOUT REWRITING THE SOCIAL CONTRACT, ABOUT ALTERING THE AGREEMENT BETWEEN GOVERNMENT AND WELFARE RECIPIENTS. THEY SAY, "WE ARE GIVING YOU ASSISTANCE, SO YOU MUST DO EVERYTHING YOU CAN TO GET WORK." THIS IS FINE, BUT WE MUST GO FURTHER. THE NEW DEAL FOR WELFARE RECIPIENTS MUST BE, "IF YOU DO EVERYTHING YOU CAN TO GET A JOB, WE WILL DO EVERYTHING WE CAN TO SEE THERE IS A JOB FOR YOU." I WANT TO EMPHASIZE THAT WE BELIEVE THAT SANCTIONS WILL CONTINUE TO BE A NECESSARY PART OF ENFORCING THE WORK REQUIREMENT. LAST YEAR IN NEW YORK CITY, ABOUT 20,000 AFDC HOUSEHOLDS WERE SANCTIONED FOR FAILURE TO COMPLY WITH WORK RULES.

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NEXT YEAR, NEW YORK CITY, IN AN EFFORT TO EXPAND EMPLOYMENT OPPORTUNITIES TO FULFIL ITS SIDE OF THE CONTRACT, WILL BE TAKING A LARGE STEP IN THAT DIRECTION. IN THE COMING FISCAL YEAR, WE WILL BE REQUIRING ALL CONTRACTORS DOING AT LEAST $250,000 A YEAR IN BUSINESS WITH THE HUMAN RESOURCES ADMINISTRATION, WITH FEW EXCEPTIONS, TO HIRE ONE PUBLIC ASSISTANCE RECIPIENT FOR EACH $250,000 IN VALUE OF THEIR CONTRACTS. A TOTAL OF $750 MILLION IN CONTRACTS WOULD FALL UNDER THIS REQUIREMENT. THIS EFFORT COULD RESULT IN CLOSE TO THREE THOUSAND JOBS WHEN THE REQUIREMENT IS FULLY OPERATIONAL. CONTRACTORS WHO FAIL TO MEET THIS REQUIREMENT WILL BE SANCTIONED AT A RATE OF $7,000 PER YEAR FOR EACH RECIPIENT THEY FAIL TO EMPLOY. WE ARE PRESENTING TOMORROW, FOR BOARD OF ESTIMATE APPROVAL, THE FIRST SET OF CONTRACTS WITH THIS NEW HIRING COMMITMENT RIDER.

WHILE I BELIEVE ALL LOCALITIES ARE RESPONSIBLE FOR DEVELOPING OR PURSUING SUCH INITIATIVES, I DON'T BELIEVE LOCAL GOVERNMENT SHOULD SHOULDER THE MAIN RESPONSIBILITY FOR JOB CREATION. THE FEDERAL GOVERNMENT MUST RECOGNIZE THAT THE CURRENT ECONOMY CANNOT ABSORB ALL OF THOSE NOW ON WELFARE -- NO

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MATTER HOW WELL WE TRAIN THEM. A NATIONWIDE JOB CREATION EFFORT MUST BE UNDERTAKEN -- AND THAT EFFORT MUST BEGIN IN TANDEM WITH WELFARE REFORM.

I ALSO SUPPORT INITIATING WORK AND TRAINING ORIENTATION AT THE EARLIEST POSSIBLE TIME AFTER A PERSON GOES ON PUBLIC ASSISTANCE. IT WOULD BE FOOLISH TO EXPECT A WOMAN TO STEP IMMEDIATELY INTO A HIGH-PAYING, FULL-TIME JOB ONCE HER CHILDREN ARE READY FOR CHILD CARE. BUT, IN THE MEANTIME, SHE CAN BE WORKING TOWARD THAT GOAL BY UPGRADING HER WORK SKILLS THROUGH TRAINING.

OF COURSE, REACHING OUT TO WOMEN WITH VERY SMALL CHILDREN INCREASES SUBSTANTIALLY THE COST OF TRAINING AND EMPLOYMENT INITIATIVES. WOMEN WITH SMALL CHILDREN MUST OFTEN HAVE TRANSPORTATION AND DAY CARE TO ATTEND TRAINING PROGRAMS. WE MUST ALSO REMEMBER THAT THESE DAY CARE AND OTHER EXPENSES CONTINUE ONCE THE WOMAN IS IN THE WORKFORCE.

PERHAPS, MOST IMPORTANTLY, THE JOBS THAT MOST OF THE PEOPLE COMING OFF WELFARE CAN REALISTICALLY EXPECT TO GET WILL BE LOW-PAYING AND OFTEN WILL NOT PROVIDE ADEQUATE HEALTH INSURANCE.

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LOSING MEDICAID FOR YOURSELF AND YOUR CHILDREN IS A VERY BIG ECONOMIC AND PSYCHOLOGICAL DISINCENTIVE TO WORK. THE CITY OF NEW YORK SUPPORTS THE CONTINUED PROVISION OF SERVICES TO PEOPLE ENTERING THE WORK FORCE, TO EASE THE TRANSITION. WE MUST AVOID THE SITUATION WHERE WORK, WITH ALL THE OTHER EXPENSES IT ENTAILS, ACTUALLY LEAVES THE PERSON WORSE OFF THAN WELFARE. WOULD YOU OR I GO TO WORK TO LOSE MONEY?

ALL OF THE SERVICES I HAVE DESCRIBED REQUIRE MONEY. DAY CARE AND MEDICAID ARE EXPENSIVE. IF THE FINANCIAL COMMITMENT IS INSUFFICIENT, THE GOALS OF WELFARE REFORM CANNOT BE REALIZED, AND THE EXPENDITURES YOU DO MAKE MAY BE VIEWED AS A COSTLY ERROR. I NOTE THAT THE PROJECTED EXPENDITURES ON HOUSE BILL HR 1720 HAVE BEEN REDUCED AS IT HAS PROCEEDED STEP BY STEP THROUGH THE LEGISLATIVE PROCESS -- FROM $11.8 BILLION TO $5.2 BILLION OVER FIVE YEARS -- OR AN AVERAGE OF ONLY $1 BILLION PER YEAR NATIONWIDE.

I KNOW WELL THE FISCAL PRESSURES THAT ATTEND CONGRESSIONAL DELIBERATIONS. I SERVED IN THE HOUSE FOR NINE YEARS. BUT

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WELFARE REFORM WOULD BE A CHARADE IF WE WERE TO TRY TO ACHIEVE IT ON A BARGAIN BUDGET. A SIGNIFICANT, SUSTAINED FEDERAL INVESTMENT IS REQUIRED TO TRULY ALTER THE WELFARE SYSTEM. IN EXCHANGE, STATES AND LOCALITIES HAVE A SPECIAL OBLIGATION TO BE HELD ACCOUNTABLE FOR ACHIEVING THE GOALS OF WELFARE REFORM, AND THAT WE SHOULD BE EVALUATED ON HOW WELL A JOB WE DO IN PROVIDING ASSISTANCE TO THOSE UNABLE TO WORK AND IN MOVING THOSE WHO ARE ABLE TO WORK INTO JOBS OR OTHER WORK-RELATED ACTIVITIES.

ANOTHER TOPIC THAT I WOULD LIKE TO ADDRESS THIS MORNING IS CHILD SUPPORT, WHICH I KNOW IS OF PARTICULAR INTEREST TO SENATOR MOYNIHAN. HERE IN NEW YORK CITY, WE HAVE GOOD NEWS ON THIS SUBJECT. AFTER YEARS OF BEING UNABLE TO MEET THE CHILD SUPPORT GOALS SET FOR US BY NEW YORK STATE, WE HAVE FINALLY MET OUR GOAL BY COLLECTING MORE THAN $38 MILLION FOR AFDC FAMILIES.

OF COURSE, OUR PAST INABILITY TO MEET CHILD SUPPORT GOALS WAS NOT FOR LACK OF EFFORT. WE USED EVERY AVAILABLE LEGAL MEANS AT OUR DISPOSAL. OUR CURRENT SUCCESS IS DUE TO THE HELP WE RECEIVED THROUGH THE PASSAGE OF THE CHILD SUPPORT AMENDMENTS OF

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1984, AND PROVISIONS WHICH HAVE ENABLED US, FOR EXAMPLE, TO ATTACH THE INCOME TAX REFUNDS OF DEAD BEAT PARENTS.

WHILE OUR RECENT SUCCESS IS GOOD NEWS, IT REALLY CAN'T OFFSET THE FACT THAT MOST OF THE NEWS ON THE CHILD SUPPORT FRONT IS BAD. OUR $38 MILLION REPRESENTS ONLY 3 PERCENT OF OUR AFDC COSTS. OTHER PROPOSED LEGISLATION IS NEEDED. YOUR ASSISTANCE, SENATOR, WILL HELP PASS LEGISLATION TO PUT SOCIAL SECURITY NUMBERS ON BIRTH CERTIFICATES. THIS MEASURE WOULD HELP US FIND MORE ABSENT PARENTS AND WOULD GREATLY INCREASE THE AMOUNT OF CHILD SUPPORT COLLECTED.

BEFORE I CLOSE, IT IS IMPORTANT FOR MEMBERS OF CONGRESS TO KEEP IN MIND THAT THERE ARE SEVERAL OTHER FACTORS WHICH AFFECT WORK, CHILDREN, AND THE FAMILY, ALTHOUGH THEY ARE NOT SPECIFICALLY ON THE WELFARE REFORM AGENDA. FOR EXAMPLE, POLICIES THAT CONGRESS ESTABLISHES FOR THE NATIONAL ECONOMY, TRADE, AND TAXATION, MAY HAVE A GREATER IMPACT ON THE NUMBER OF PEOPLE WHO LEAVE THE WELFARE ROLLS FOR JOBS THAN ANYTHING CONGRESS DOES IN THE AREA OF DIRECT WELFARE REFORM. POLICIES ON EDUCATION MAY DETERMINE -- TO A GREATER DEGREE THAN ANY ISSUE IN

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THE WELFARE REFORM DEBATE -- HOW WELL OUR CHILDREN ARE PREPARED TO ASSUME THEIR DUTIES AS ADULTS.

LET ME NOW MAKE SOME RECOMMENDATIONS PERTAINING TO SOME OUTSIDE FACTORS WHICH AFFECT THE BASIC OBJECTIVES OF WELFARE REFORM. FIRST, WE MUST RECONSIDER THE NATIONAL POLICY ON THE MINIMUM WAGE AND ITS RELATIONSHIP TO POVERTY. THERE WAS A TIME IN THIS COUNTRY WHEN A JOB GENERALLY PROVIDED A DECENT STANDARD OF LIVING. THIS IS NO LONGER ALWAYS THE CASE. THE LAST INCREASE IN THE MINIMUM WAGE WAS IN 1981. IT IS NOW POSSIBLE TO WORK VERY HARD AND STILL FIND YOURSELF VERY POOR, AND IN SOME CASES STILL ELIGIBLE FOR WELFARE. FOR EXAMPLE, A PERSON WITH TWO CHILDREN WORKING AT THE MINIMUM WAGE FOR 35 HOURS A WEEK CAN EXPECT TO EARN $508 PER MONTH, WHICH MEANS THAT IN NEW YORK THEY ARE STILL ENTITLED TO $70 A MONTH IN PUBLIC ASSISTANCE AND A MONTHLY FOOD STAMP BENEFIT OF $141 IN ADDITION TO MEDICAID.

THIS JUST DOESN'T MAKE SENSE. FULL-TIME WORK SHOULD ENABLE A WORKER TO LEAVE WELFARE DEPENDENCE BEHIND.

SECOND -- AND OF SPECIAL IMPORTANCE TO NEW YORK CITY -- ARE FEDERAL POLICIES AFFECTING LOW-INCOME HOUSING. IT'S FUTILE TO

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TALK ABOUT PUTTING PEOPLE TO WORK WHEN THEY DON'T HAVE A PLACE TO CALL HOME. THIS CITY CURRENTLY SHELTERS OVER 4,900 FAMILIES IN ITS EMERGENCY SHELTER SYSTEM. WE ARE FORCED TO HOUSE MORE THAN 3,700 FAMILIES, OR 75 PERCENT OF THE TOTAL, IN HOTELS, AT APPROXIMATELY $17.50 PER PERSON, OR $65.00 A NIGHT. FOR THE AVERAGE HOMELESS FAMILY OF 3.7 PERSONS, THIS IS AN ANNUAL COST OF ALMOST $24,000 PER FAMILY. WHILE MOST OTHER CITIES DO NOT RELY ON HOTELS TO THE SAME EXTENT NEW YORK DOES, FOR EXAMPLE, BOSTON PAYS ABOUT THE SAME AS NEW YORK TO HOUSE HOMELESS FAMILIES IN HOTELS AND BALTIMORE PAYS EVEN MORE ON THE AVERAGE.

WE HAVE RENOVATED OVER 10,000 APARTMENTS FOR THOSE WHO ARE HOMELESS AND POTENTIALLY HOMELESS SINCE 1984, BUT THE NUMBER OF FAMILIES REQUIRING EMERGENCY SHELTER CONTINUES TO RISE. WE ARE COMMITTED TO RENOVATING AN ADDITIONAL 4,000 UNITS A YEAR FOR THESE FAMILIES.

TO HELP EASE THE OVERALL HOUSING SHORTAGE, NEW YORK CITY, IN PARTNERSHIP WITH THE STATE, HAS EMBARKED ON AN AMBITIOUS $4.2 BILLION PROGRAM TO ADD 250,000 HOUSING UNITS OVER THE NEXT 10

YEARS, WITH 125,000 OF THESE UNITS, OR 50 PERCENT, GOING TO FAMILIES WITH INCOMES UNDER $15,000 A YEAR, AND 85 PERCENT OF THE UNITS GOING TO FAMILIES WITH INCOMES UNDER $25,000. ON ONE HAND, I'M VERY PROUD OF THIS EFFORT. ON THE OTHER, I MUST EXPRESS MY DEEP FRUSTRATION AND CONCERN BECAUSE I KNOW OUR EFFORTS -- EXTRAORDINARY AS THEY ARE -- FALL FAR SHORT OF MEETING THE NEED.

BECAUSE OF THIS NEED, I STRONGLY SUPPORT THE USE OF AFDC EMERGENCY ASSISTANCE AND ANY SPECIAL NEEDS PAYMENTS TO PROVIDE PERMANENT HOUSING FOR HOMELESS FAMILIES, AS PROPOSED BY SENATOR MOYNIHAN IN S.37 THIS YEAR. AND I STRONGLY SUPPORT INCLUSION OF DEMONSTRATION PROJECT LANGUAGE IN THE WELFARE REFORM LEGISLATION.

IN CONCLUSION, I WOULD LIKE TO LEAVE YOU WITH THESE THOUGHTS. THIS IS THE TIME TO REFORM WELFARE. WE MUST CREATE OPPORTUNITIES FOR WORK. WE MUST FOCUS ON HELPING YOUNG PEOPLE. WE MUST SUPPORT THE FAMILY. MANY FACTORS OUTSIDE THE WELFARE REFORM DEBATE MAY BEAR ON THE SUCCESS OF OUR EFFORTS, ESPECIALLY THE OVERALL PERFORMANCE OF THE ECONOMY. AND FINALLY, WE MUST

LOOK FOR FEDERAL LEADERSHIP IN SOLVING THESE COMPLEX PROBLEMS AND WE MUST ACCEPT THAT THEY WILL NOT BE SOLVED QUICKLY OR INEXPENSIVELY.

THANK YOU AGAIN FOR THIS OPPORTUNITY TO TESTIFY TODAY. AND NOW, I WOULD LIKE TO TURN THINGS OVER TO BILL GRINKER, WHO WILL TALK MORE SPECIFICALLY ABOUT NEW YORK CITY'S VIEWS ON WELFARE REFORM.

TESTIMONY BY

WILLIAM J. GRINKER

JUNE 15, 1987

GOOD MORNING. I AM WILLIAM GRINKER, THE ADMINISTRATOR/COMMISSIONER OF THE NEW YORK CITY HUMAN RESOURCES ADMINISTRATION. I AM RESPONSIBLE FOR THE PUBLIC ASSISTANCE AND INCOME SUPPORT PROGRAMS IN THIS CITY. THANK YOU FOR GIVING ME THE OPPORTUNITY TO JOIN THE MAYOR IN PRESENTING NEW YORK CITY'S VIEWS ON WELFARE REFORM.

HERE IN NEW YORK CITY, WE AGREE THAT MAJOR REVISIONS IN THE WAY INCOME SUPPORT PROGRAMS ARE STRUCTURED ARE LONG OVERDUE. LIKE OTHER LARGE CITIES, WE HAVE AN ENORMOUS STAKE IN THE OUTCOME OF THESE WELFARE REFORM DISCUSSIONS. THE PROBLEMS ASSOCIATED WITH POVERTY AND WELFARE DEPENDENCY ARE OF SUCH MAGNITUDE, THAT IF THE NEEDS OF MAJOR CITIES LIKE NEW YORK ARE NOT ADDRESSED, NATIONAL WELFARE REFORM WILL HAVE LITTLE MEANING

IT IS TRUE THAT BECAUSE OF OUR SIZE -- WE ARE HOME TO 7.5 PERCENT OF THE NATION'S AFDC POPULATION -- OUR PROBLEMS ARE BIGGER THAN THOSE OF OTHER LOCALITIES. THE COST OF OUR AFDC PROGRAM ALONE WILL BE MORE THAN $1.4 BILLION IN OUR COMING FISCAL YEAR, WITH NEW YORK CITY PICKING UP $309 MILLION OF THAT AMOUNT. THESE FIGURES SHOW WHY MAYOR KOCH FEELS SO STRONGLY ABOUT THE FEDERAL GOVERNMENT'S OBLIGATION TO PICK UP, AT LEAST INCREMENTALLY, MORE OF THE COST OF WELFARE PROGRAMS IN STATES WITH LARGE PUBLIC ASSISTANCE POPULATIONS.

THIS PRESSING WELFARE BURDEN IS REFLECTIVE AND PREDICTIVE OF WHAT IS OCCURRING IN CITIES ACROSS THE NATION. WHAT HAS HAPPENED IN NEW YORK -- AS MAYOR KOCH HAS POINTED OUT -- IS SYMBOLIC AND SYMPTOMATIC OF THE FAILURE OF OUR SOCIETY AS A WHOLE TO PROVIDE SUPPORT AND OPPORTUNITIES FOR OUR MOST VULNERABLE CITIZENS.

WE BELIEVE NEW YORK CITY AND NEW YORK STATE HAVE DONE AS MUCH OR MORE TO ADDRESS THE NEEDS OF THOSE WHO ARE IN POVERTY, WHO ARE HOMELESS, WHO ARE

HUNGRY, WHO ARE WITHOUT HOPE, THAN ANY OTHER STATE OR CITY IN THIS NATION. HOWEVER, BECAUSE THESE PROBLEMS ARE NATIONAL IN GENESIS, OUR EFFORTS ALONE CANNOT BE SUFFICIENT TO LIFT PEOPLE OUT OF POVERTY AND AWAY FROM DEPENDENCY. THIS CAN ONLY BE ACCOMPLISHED THROUGH THE LEADERSHIP, SPONSORSHIP, AND FUNDING, OF THE FEDERAL GOVERNMENT.

IF WASHINGTON IS REALLY SERIOUS ABOUT WELFARE REFORM, IT MUST ACKNOWLEDGE THAT SIGNIFICANT REFORM WOULD, AT LEAST IN THE SHORT RUN, BE EXPENSIVE AND REQUIRE SUBSTANTIAL FEDERAL INITIATIVE AND INVESTMENT. AN INVESTMENT IN HUMAN RESOURCES IS LIKE ANY OTHER INVESTMENT. IF WE FAIL TO MAKE THE NECESSARY DOWN PAYMENT TO IMPROVE ON OUR HUMAN CAPITAL IN THE SHORT RUN, WE CANNOT ANTICIPATE, IN THE LONG RUN, A SIGNIFICANT RATE OF RETURN IN THE FORM OF A MORE PRODUCTIVE SOCIETY AND REDUCED WELFARE DEPENDENCY.

IT IS OUR VIEW THAT A WELFARE SYSTEM WHICH BALANCES THE CONCEPTS OF OPPORTUNITY AND OBLIGATION SHOULD BE AT THE HEART OF ANY WELFARE REFORM EFFORT. WE MUST CHANGE THE NATURE OF THE BARGAIN BETWEEN GOVERNMENT AND THE NEEDY.

RATHER THAN ADMINISTERING A SYSTEM PRIMARILY CONCERNED WITH INCOME SUPPORT, A WAY STATION FOR THOSE IN NEED, I WOULD PREFER A PROGRAM THAT HAS AT ITS CORE REAL EMPLOYMENT, TRAINING, AND REMEDIATION OPTIONS. RATHER THAN PROVIDING ONLY EMERGENCY ASSISTANCE THAT ALL TOO OFTEN PROMOTES CHRONIC DEPENDENCE, I WOULD PREFER TO PROVIDE THE OPPORTUNITIES THAT HELP PEOPLE GET OFF WELFARE AND BECOME SELF-SUFFICIENT.

WHILE I WILL SPEND MOST OF MY TIME DISCUSSING THE KINDS OF REAL OPPORTUNITIES AND SUPPORTS I THINK GOVERNMENT SHOULD PROVIDE THE NEEDY, I MUST MAKE IT CLEAR AT THE OUTSET THAT I FIRMLY BELIEVE THAT ONCE THESE OPPORTUNITIES AND SUPPORTS

ARE MADE AVAILABLE, RECIPIENTS HAVE A CORRESPONDING OBLIGATION TO HELP THEMSELVES. IF WE PROVIDE AN OPPORTUNITY RATHER THAN A MEAGER, BUT GUARANTEED, HAND-OUT, THE NEEDY MUST MEET THEIR OBLIGATION IN THE FORM OF DEMONSTRATED EFFORT AND COMMITMENT. I BELIEVE THE LINKAGE OF OPPORTUNITY WITH OBLIGATION IS KEY.

IN ORDER TO PRESENT THE SPECIFICS OF OUR VIEW OF WELFARE REFORM AS CLEARLY AS POSSIBLE, I WILL STRUCTURE MY COMMENTS ALONG THE FOLLOWING LINES:

o FIRST, I WILL PROVIDE A SNAPSHOT OF THOSE WHO MAKE UP NEW YORK CITY'S WELFARE POPULATION;

o SECOND, I WILL DISCUSS WORK AND WELFARE: WHO SHOULD PARTICIPATE IN EMPLOYMENT/TRAINING PROGRAMS, HOW RESOURCES SHOULD BE ALLOCATED, AND HOW THESE PROGRAMS SHOULD BE STRUCTURED;

o THIRD, I WILL ADDRESS CHILD SUPPORT INITIATIVES AND THE SERVICES THAT PUBLIC ASSISTANCE FAMILIES NEED TO ENABLE THEM TO MOVE INTO THE WORLD OF WORK; AND

o FOURTH, I WILL TOUCH ON THE ISSUE OF BENEFIT LEVELS.

CONTEXT FOR WELFARE REFORM

AT ANY ONE TIME, NEW YORK CITY'S AFDC CASELOAD STANDS AT ABOUT 240,000 CASES (OR UPWARDS OF 725,000 INDIVIDUALS) AND WE SERVE ABOUT 360,000 DIFFERENT HOUSEHOLDS DURING A THREE YEAR PERIOD. WHILE I USUALLY RESIST PUTTING PEOPLE

INTO CATEGORIES. FOR THE SAKE OF THIS DISCUSSION, I AM GOING TO MAKE SOME BROAD GENERALIZATIONS ABOUT THOSE WE SERVE OVER THE COURSE OF THREE YEARS, AS A BACKGROUND FOR MY THOUGHTS ON THE DIRECTION FUTURE EMPLOYMENT AND TRAINING PROGRAMS FOR AFDC RECIPIENTS SHOULD FOLLOW.

I SEE THE AFDC POPULATION BREAKING DOWN INTO THREE MAJOR DIVISIONS. THE FIRST, REPRESENTING AROUND 60,000 HOUSEHOLDS, OR 15-20 PERCENT OF THE THREE YEAR [illegible], INCLUDES FAMILIES WHO HAVE TEMPORARILY FALLEN ON HARD TIMES. THEY TURN TO WELFARE TYPICALLY AS A RESULT OF A MEDICAL CATASTROPHY, THE UNANTICIPATED LOSS OF A SPOUSE, OR THE LOSS OF A JOB. THESE RECIPIENTS, WHO ARE USUALLY WOMEN, OFTEN HAVE SOME WORK EXPERIENCE, AND RELATIVELY HIGHER LEVELS OF EDUCATION THAN OTHER WELFARE RECIPIENTS. AND, AFTER THEY STABILIZE THEIR LIVES AND THEIR CHILDREN GET A LITTLE OLDER, THEY LEAVE PUBLIC ASSISTANCE BEHIND, NEVER TO BE SEEN AGAIN. THIS OFTEN HAPPENS WITHIN A VERY SHORT TIME, BUT GENERALLY WITHIN TWO YEARS.

THE SECOND CATEGORY OF AFDC HOUSEHOLDS -- WHICH REPRESENTS APPROXIMATELY 180,000 HOUSEHOLDS, OR HALF OF THE POPULATION -- INCLUDES WHAT WE CALL INTERMITTENT USERS. THEY GO ON AND OFF THE CASELOAD REPEATEDLY: SEASONAL EMPLOYMENT, SECONDARY LABOR MARKET JOBS, CHILD CARE DIFFICULTIES, AND HEALTH CARE PROBLEMS, AS WELL AS ERRATIC RECEIPT OF CHILD SUPPORT, APPEAR TO ACCOUNT FOR THEIR PATTERN OF WELFARE USE. THEY ARE MARGINALLY PRODUCTIVE AND SOME, WITH LUCK, CAN PULL THEMSELVES UP TO MY FIRST CATEGORY, WHILE OTHERS MAY FALL INTO THE THIRD.

CHRONIC, LONG TERM RECIPIENTS -- WHO REPRESENT THE REMAINING 120,000 HOUSEHOLDS, OR 33 PERCENT OF THE CASELOAD -- COMPRISE THE THIRD CATEGORY. MOST OF THESE FAMILIES STAY ON THE ROLLS FOR FIVE OR MORE YEARS. THERE ARE

THREE FACTORS THAT CHRONIC RECIPIENTS TEND TO HAVE IN COMMON: FIRST, THEY OFTEN BECOME PARENTS WHILE STILL IN THEIR TEENS; SECOND, THEY GO ON TO HAVE RELATIVELY LARGE FAMILIES; AND, THIRD, THEY HAVE RELATIVELY LITTLE EDUCATION, AND FEW SKILLS. IN SHORT, THEY HAVE LIMITED CONTACT WITH THE LABOR MARKET, AND FACE A DISCOURAGING UPHILL BATTLE IF THEY TRY TO LAND A JOB ON THEIR OWN.

INCLUDED IN THIS THIRD CATEGORY, ARE 40,000 TO 50,000 RECIPIENTS WHO WE MUST EXPECT TO BE PERMANENTLY IN NEED OF BASIC INCOME SUPPORTS. FOR SOME, THIS IS BECAUSE THEY SUFFER FROM PHYSICAL DISABILITIES THAT, WHILE INSUFFICIENT TO MERIT FEDERAL DISABILITY PAYMENTS, ARE SERIOUS ENOUGH TO KEEP THEM ON WELFARE. OTHERS IN THIS UNFORTUNATE GROUPING INCLUDE THOSE WHO HAVE SUCCUMBED TO ALCOHOL AND DRUG ADDICTION, OR ARE CARING FOR AN INCAPACITATED PERSON.

WHEN NEW PROGRAMS ARE DESIGNED, IT WILL BE IMPORTANT TO KEEP IN MIND BOTH THE DIVERSITY OF THE POPULATION AS WELL AS THE COMMON THREADS. FOR EXAMPLE:

o 90 PERCENT OF THE POPULATION IS FROM A MINORITY BACKGROUND, 12 PERCENT SPEAK LITTLE OR NO ENGLISH;

o 90 PERCENT OF THE FAMILIES ARE HEADED BY SINGLE PARENTS, 10 PERCENT HAVE BOTH PARENTS PRESENT;

o 25 PERCENT OF THE PARENTS HAVE GRADUATED FROM HIGH SCHOOL, 50 PERCENT READ AT THE SIXTH GRADE LEVEL OR BELOW;

o MOST LIVE IN NEIGHBORHOODS WHERE AT LEAST 25 PERCENT OF THE COMMUNITY IS ON WELFARE, 2 PERCENT ARE HOMELESS; AND o 50 PERCENT HAVE CHILDREN UNDER THE AGE OF SIX, AND 2 PERCENT ARE PARENTING TEENS.

WORK AND WELFARE

BASED ON THESE FACTS, IT IS OBVIOUS THAT FOR EMPLOYMENT AND TRAINING PROGRAMS TO BE SUCCESSFUL, THEY MUST BE FLEXIBLE ENOUGH TO ACCOMMODATE THE DIVERSE SKILLS, EXPERIENCES, AND MOTIVATION LEVELS FOUND AMONG ADULT WELFARE RECIPIENTS. SUCH PROGRAMS MUST ALSO ADDRESS THE VARIOUS CONSTRAINTS IMPOSED BY THOSE CHARACTERISTICS RECIPIENTS SHARE.

THE CURRENT MAJOR NATIONAL EMPLOYMENT PROGRAM FOR AFDC RECIPIENTS -- THE WORK INCENTIVE PROGRAM, BETTER KNOWN AS WIN -- DOES NOT BEGIN TO MEET THESE CRITERIA. ALTHOUGH WIN REQUIRES THAT ALL RECIPIENTS WITH CHILDREN OVER SIX YEARS OF AGE REGISTER FOR EMPLOYMENT SERVICES, ONLY A TINY PERCENTAGE OF THE NATIONAL CASELOAD -- THOSE WHO ARE JOB READY -- ACTUALLY GO FURTHER THAN REGISTERING FOR WIN SERVICES. WIN'S FAILURE TO MEET THE NEED IS NOT SUPRISING, SINCE ITS BUDGET HAS BEEN CONTINUOUSLY REDUCED. FOR EXAMPLE, IT WAS CUT FROM $365 MILLION IN 1981 TO THE CURRENT $110 MILLION FOR NINE MONTHS OF THIS FEDERAL FISCAL YEAR. IN 1985, WIN MOVED ONLY 140,000 PEOPLE OFF OF WELFARE, OR ABOUT 3 PERCENT OF THE NATIONAL CASELOAD.

IN PERCENTAGE TERMS, THE JOB TRAINING PARTNERSHIP ACT MAY HAVE AN IMPRESSIVE PLACEMENT RECORD -- ABOUT 50 PERCENT FOR AFDC RECIPIENTS IN 1985 -- BUT IT PLACED ONLY 72,000 PERSONS. THE CONSTRAINTS OF THE JTPA REQUIREMENTS GENERALLY REQUIRE LOCAL JURISDICTIONS TO LIMIT THEIR INTAKE TO PERSONS WITH EITHER A HIGH

SCHOOL DIPLOMA OR AT LEAST A SEVENTH GRADE READING LEVEL, AND MANY CRITICS HAVE POINTED OUT THAT THESE ARE THE MOST EMPLOYABLE OF THOSE WHO ARE ELIGIBLE FOR THE PROGRAM.

WHEN YOU CONSIDER THAT OVER THE COURSE OF A YEAR THERE ARE MORE THAN 4.5 MILLION ADULT PUBLIC ASSISTANCE RECIPIENTS IN THIS NATION AND THESE TWO PROGRAMS ARE THE MAIN SOURCE OF EMPLOYMENT ASSISTANCE, IT IS OBVIOUS THAT THERE IS NOT ENOUGH OPPORTUNITY TO GO AROUND. IT IS IMPORTANT TO REMEMBER, HOWEVER, THAT MANY RECIPIENTS MAKE THEIR OWN OPPORTUNITIES, AND IN SPITE OF THE STRIKES THEY MAY HAVE AGAINST THEM, ARE MOTIVATED AND CAPABLE ENOUGH TO GO OUT AND FIND WORK ON THEIR OWN.

WHAT DO WE SEE AS NECESSARY IN ORDER TO HELP THOSE WHO CANNOT GO IT ALONE? AS THE MAYOR TOLD YOU, WE WANT TO SEE A PROGRAM WITH MANY COMPONENTS ALL OF WHICH LEAD TO THE SAME END, A JOB. BUT IN REALITY, WE HAVE TO RECOGNIZE THAT SUCH A PROGRAM WOULD BE FAR BEYOND ANYTHING CURRENTLY NOW UNDER SERIOUS CONSIDERATION.

IN THE BEST OF ALL WORLDS, WE WOULD LIKE TO SEE A "MARSHALL PLAN FOR WELFARE RECIPIENTS" - A COMPREHENSIVE PROGRAM FOR ALL ADULTS WITH CHILDREN OVER THE AGE OF ONE WHO ARE PHYSICALLY ABLE TO WORK. ALTHOUGH OUR CURRENT PROGRAM REQUIRES THAT ONLY MOTHERS WHOSE YOUNGEST CHILD IS SIX OR OVER PARTICIPATE, I WOULD LIKE TO SEE ALL MOTHERS, EXCEPT THOSE WITH TINY INFANTS UNDER ONE YEAR OF AGE, PARTICIPATE. I AM NOT SAYING THAT THESE MOTHERS SHOULD PARTICIPATE TO THE SAME EXTENT AS MOTHERS WITH OLDER CHILDREN. I DO BELIEVE, HOWEVER, THAT THEY SHOULD BE DOING SOMETHING TO PREPARE THEMSELVES TO ENTER THE JOB MARKET WHEN THEIR CHILDREN ARE OLDER, RATHER THAN PREPARE THEMSELVES FOR ANOTHER GENERATION OF WELFARE DEPENDENCY AS THE CURRENT SYSTEM ENCOURAGES.

TO MOUNT SUCH A PROGRAM WOULD BE A MAJOR ADMINISTRATIVE AND MANAGERIAL UNDERTAKING. OBVIOUSLY, IT COULD NOT BE COMPLETED IN A YEAR OR TWO OR THREE. BUT I BELIEVE WE HAVE THE ABILITY AND KNOW-HOW TO SUBSTANTIALLY EXPAND OUR CURRENT ACTIVITIES, AND PERHAPS QUADRUPLE OUR EFFORTS IN A REASONABLY SHORT TIME.

IF WE AGREE ON MY TARGET POPULATION DEFINITION, THIS WOULD MEAN THAT OVER THE NEXT THREE YEARS NEW YORK CITY WOULD SERVE 135,000 PERSONS ANNUALLY, AND WOULD PLACE ALMOST 90,000 OF THESE INDIVIDUALS IN FULL AND PART-TIME JOBS. THIS AMBITIOUS EFFORT COULD COST BETWEEN $200 MILLION TO $300 MILLION ANNUALLY, AND THIS REFLECTS ONLY THE DIRECT COST OF TRAINING, REMEDIATION, AND EMPLOYMENT SERVICES. SUPPORT SERVICE COSTS SUCH AS DAY CARE ARE NOT INCLUDED.

OBVIOUSLY, WE'RE TALKING BIG DOLLARS HERE. BUT OUR MOTIVATIONS ARE NOT ENTIRELY ALTRUISTIC. AT THE END OF THREE YEARS, THIS PROGRAM COULD LEAD TO A REDUCTION IN BENEFITS FOR ABOUT 25 PERCENT OF THE AFDC CASELOAD, AND TOTAL INDEPENDENCE FOR ANOTHER 25 PERCENT. THIS COULD AMOUNT TO WELFARE SAVINGS OF BETWEEN $400 TO $500 MILLION. I DON'T WANT TO PUT FORTH ANY OF THESE AMOUNTS OR NUMBERS AS DEFINITIVE, BUT RATHER AS THE PARAMETERS OF WHAT A MAJOR INITIATIVE WOULD ENTAIL. CERTAINLY, IF THERE WAS TO BE A COMMITMENT TO OUR "MARSHALL PLAN FOR WELFARE," WE WOULD HAVE TO COST OUT THESE ESTIMATES MORE THOROUGHLY.

BUT, IN THE MEANTIME, LET ME BRIEFLY SKETCH OUT FOR YOU THE COMPREHENSIVE PROGRAM I BELIEVE COULD BRING ABOUT THESE RESULTS. IT INCLUDES:

- REMEDIATION - MEANING READING AND MATH, OR GED CLASSES, TO BRING PEOPLE UP TO A LEVEL OF LITERACY WHERE THEY COULD FUNCTION IN ALMOST ANY ENTRY LEVEL JOB.

- TRAINING - SO THEY CAN BE EQUIPPED WITH THE CLERICAL OR MECHANICAL SKILLS TO HANDLE THE REALITIES OF TODAY'S LABOR MARKET;

- SUPPORTED WORK AND ON THE JOB TRAINING SO THEY GET EXPERIENCE IN A REAL WORK ENVIRONMENT WHILE GAINING AN UNDERSTANDING OF THE RESPONSIBILITIES THAT GO WITH A JOB;

- WORK EXPERIENCE OR WORK FARE - SO THAT THEY HAVE A DEMONSTRATED RECORD OF JOB PERFORMANCE VITAL TO SO MANY EMPLOYERS; AND

- JOB PLACEMENT ASSISTANCE - TO ACCUSTOM PEOPLE TO THE LABOR MARKET BY PROVIDING WORK READINESS SKILLS AND THE NECESSARY LINKAGES BETWEEN AVAILABLE WORKERS AND AVAILABLE JOBS.

I EXPECT THAT ABOUT A QUARTER OF EACH YEAR'S PROGRAM PARTICIPANTS WILL REQUIRE A FULL RANGE OF INTENSIVE, YEAR LONG REMEDIATION AND SUPPORTED WORK AND RELATED EMPLOYMENT SERVICES. THEY ARE LIKELY TO NEVER HAVE WORKED, TO HAVE LESS THAN SIXTH GRADE MATH AND READING LEVELS, AND WITH MANY HAVING DIFFICULTY SPEAKING ENGLISH AND POSSESSING FEW MARKETABLE SKILLS. ANOTHER 25 PERCENT WILL BENEFIT FROM A WORK EXPERIENCE PLACEMENT, COUPLED WITH JOB SEARCH ASSISTANCE. WHILE THEY ALREADY POSSESS SOME OF THE BASICS, THEY LACK THE EXPERIENCE AND KNOW-HOW TO SUCCESSFULLY FIND AND KEEP A JOB. ABOUT 20 PERCENT OF PROGRAM PARTICIPANTS WOULD PROBABLY BE GOOD CANDIDATES FOR SKILLS TRAINING -- EITHER ON-THE-JOB OR IN A CLASS ROOM. OUR EXPERIENCE TELLS US THAT THE REMAINING THIRD OF

PROGRAM PARTICIPANTS ARE READY FOR IMMEDIATE JOB SEARCH AND PLACEMENT. WHAT THEY NEED INCLUDES JOB CLUBS AND ASSISTED JOB SEARCH.

UP UNTIL THIS POINT, I'VE BEEN SPEAKING ABOUT ISSUES OVER WHICH GOVERNMENT HAS SOME CONTROL. BUT, WE HAVE TO BE REALISTIC AND ASK OURSELVES WHAT HAPPENS AFTER WE'VE DONE ALL THIS TRAINING AND REMEDIATION? IF WE REALLY GEAR UP AND DOUBLE AND EVEN TRIPLE THE NUMBER OF RECIPIENTS RECEIVING EMPLOYMENT SERVICES, ARE [illegible] INTERESTED EMPLOYERS OUT THERE? WILL THE PRIVATE SECTOR LOOK PAST THE WELFARE RECIPIENT LABEL AND GIVE THESE PEOPLE A CHANCE? AND, IF THAT PROBLEM [illegible] OVERCOME, WILL THE ECONOMY BE ABLE TO ABSORB THIS MANY NEW JOB SEEKERS?

WHILE THERE HAS BEEN SUBSTANTIAL GROWTH IN THE NUMBER OF JOBS AVAILABLE IN NEW YORK CITY, MOST OF THOSE JOBS DON'T REALISTICALLY MATCH THE SKILLS AND EDUCATION LEVELS OF THOSE ON PUBLIC ASSISTNACE. SEVENTY-FIVE PERCENT OF RETAIL AND OTHER SERVICE JOBS IN THE REGION WITH LESS DEMANDING ENTRY-LEVEL REQUIREMENTS ARE LOCATED OUTSIDE OF THE CITY AND, FOR AN INNER CITY RESIDENT WITH LIMITED RESOURCES, THIS POSES CONSIDERABLE TRANSPORTATION OBSTACLES. IN FACT, ONLY ABOUT 25,000 OF THIS CITY'S 285,000 ANNUAL JOB OPENINGS DO NOT REQUIRE AT LEAST A HIGH SCHOOL DIPLOMA.

MOREOVER, EVEN THOUGH THE CITY'S UNEMPLOYMENT RATE HAS DECLINED, THE DECLINE HAS LARGELY BYPASSED LOW-INCOME MINORITIES. FOR EXAMPLE, IN 1986, THE 12.4 PERCENT UNEMPLOYMENT RATE FOR BLACKS WAS ABOVE THE 11.5 PERCENT RATE FOR THE PREVIOUS YEAR.

AND SO, IF THE PRIVATE SECTOR IS UNWILLING OR UNABLE TO OFFER JOB READY WELFARE RECIPIENTS THE POT OF GOLD AT THE END OF THE EMPLOYMENT RAINBOW, WHAT SHOULD GOVERNMENT DO? CAN OR SHOULD WE BECOME THE EMPLOYER OF LAST RESORT?

I BELIEVE THAT, AT LEAST FOR A LIMITED TIME, GOVERNMENT WOULD HAVE TO CREATE JOBS AND BECOME THAT EMPLOYER. OVER A MORE EXTENDED PERIOD OF TIME, WITH A STRONG ECONOMY AND SOME CREATIVE USE OF OUR TRANSPORTATION CAPACITY, WE SURELY COULD ABSORB THESE NUMBERS.

JUDGING BY HOW THINGS APPEAR TO BE GOING IN WASHINGTON RIGHT NOW, IT IS CLEAR THAT THE COMPREHENSIVE TRAINING AND EMPLOYMENT PROGRAM I HAVE OUTLINED IS A PIPE DREAM. IT DOESN'T BEGIN TO LOOK AS IF WE WILL HAVE THE NECESSARY RESOURCES TO SERVE EVERYBODY. BUT, I THINK IT IMPORTANT TO SET FORTH THE SCOPE OF A REALLY MAJOR NATIONAL COMMITMENT AND SOME OF THE ISSUES IT WOULD RAISE. FOR THE MOST PART, I HAVE NOT SEEN THESE ISSUES SERIOUSLY ADDRESSED, AND I DON'T THINK IT SERVES ANYONE'S PURPOSE TO RAISE EXPECTATIONS WHEN WHAT IS GENERALLY BEING DISCUSSED WILL HAVE LIMITED IMPACT ON THE SCALE OF OUR CURRENT SYSTEM.

EVEN SO, WITHIN THE SCOPE OF LEGISLATION BEING PROPOSED, WE COULD DO A LOT BETTER THAN WE'RE DOING NOW AND WE SHOULD NOT DISDAIN A START, ALBEIT WITH LIMITED RESOURCES. BUT DIMINISHED RESOURCES DO LEAVE US WITH ANOTHER DILEMMA: HOW DO WE BEST USE THE FUNDS THAT ARE AT OUR DISPOSAL?

FIRST, I THINK THAT MANY MORE PEOPLE COULD BE HELPED IF THERE WERE BETTER COORDINATION OF EXISTING RESOURCES. IF WE DO RECEIVE THE MODEST INFUSION OF RESOURCES ENVISIONED IN THE CURRENT HOUSE LEGISLATION, AND WE MAKE BETTER USE OF WHAT IS ALREADY AVAILABLE, I BELIEVE WE COULD GO FROM OUR CURRENT 30,000 PARTICIPANTS IN EMPLOYMENT RELATED ACTIVITIES, UP TO 50,000.

SUBSTANTIAL RESOURCES EXIST IN OUR LOCAL COMMUNITY COLLEGE SYSTEM, JTPA PROGRAM, PUBLIC AND PROPRIETARY OCCUPATIONAL EDUCATION PROGRAMS, REMEDIATION

PROGRAMS CONDUCTED BY THE BOARD OF EDUCATION, AS WELL AS THE SERVICES PROVIDED BY THE STATE DEPARTMENT OF LABOR. IF WE ARE SERIOUS ABOUT WELFARE REFORM, REDIRECTING THESE PROGRAMS TOWARD WELFARE RECIPIENTS IS AN OPTION WE CANNOT AFFORD TO IGNORE.

WE HAVE, IN FACT, ALREADY BEGUN DISCUSSIONS WITH THE STATE DEPARTMENT OF SOCIAL SERVICES TO ACHIEVE THIS GOAL. BUT I ASSURE YOU, TO BE SUCCESSFUL, IT WILL TAKE A MUCH GREATER COMMITMENT TOWARD WORKING TOGETHER ON THESE PROBLEMS, THAN HAS YET BEEN EXHIBITED.

SECOND, IF WE GET SOME NEW RESOURCES, BUT NOT ENOUGH TO SERVE EVERYBODY, WE BELIEVE WE MUST MAKE THE BEST USE OF OUR LIMITED RESOURCES BY TARGETING CERTAIN PEOPLE WITHIN THE EMPLOYABLE POPULATION. WE HAD A LOCAL GROUP EXAMINE A NUMBER OF WELFARE PROPOSALS AND PACKAGES, AND I BUY INTO THE GROUP'S CONCENSUS THAT WE SHOULD TARGET THOSE INIDIVIDUALS I HAVE DESCRIBED AS INTERMITTANT USERS OF WELFARE. PEOPLE IN THIS CATEGORY APPEAR TO ALREADY HAVE SOME MARGINAL ATTACHMENT TO THE LABOR FORCE, AND, WITH SOME MODEST INVESTMENT, MIGHT BE STABILIZED INTO A MORE PERMANENT JOB AND LASTING JOB PLACEMENT. UNLIKE THOSE I CATEGORIZED AS SHORT-TERM PARTICIPANTS WHO ONLY HAVE FALLEN TEMPORARILY ON HARD TIMES, IF WE PROVIDE NO ASSISTANCE TO THIS GROUP, WE CAN EXPECT THEM TO BE ON AND OFF WELFARE FOR YEARS TO COME.

IN ADDITION, TWO OTHER IMPORTANT GROUPS SHOULD ALSO BE TARGETED: TEEN PARENTS, AND CHRONIC WELFARE RECIPIENTS WHOSE YOUNGEST CHILDREN WILL SOON AGE OUT OF AFDC. TEEN PARENTS SHOULD BE SERVED BECAUSE EARLY INTERVENTION FOR THIS GROUP COULD HELP THEM AVOID THE TRAP OF LONG-TERM DEPENDENCY. MOTHERS WITH ADOLESCENT CHILDREN SHOULD BE TARGETED BECAUSE ONCE THEIR CHILDREN LEAVE, THEY WILL BE LEFT WITH NOTHING AND MAY BE UNABLE TO MAINTAIN THEIR HOUSING ON A HOME RELIEF

BENEFIT FOR A SINGLE PERSON. EXPERIENCE HAS SHOWN THAT, WHILE COSTLY, EMPLOYMENT ACTIVITIES FOR THIS GROUP HAVE THE HIGHEST RELATIVE RATE OF RETURN.

THIRD, WE SHOULD TRY SOME INNOVATIVE PROGRAMS THAT REALLY TEST THE EFFECTIVENESS OF THE PROVISION OF INTENSE EMPLOYMENT AND TRAINING SERVICES. I WOULD LIKE TO TRY A DEMONSTRATION PROJECT WHEREBY WE SELECT ONE INCOME MAINTENANCE CENTER AND PROVIDE MY BEST OF ALL WORLDS SCENARIO TO ALL EMPLOYABLE RECIPIENTS SERVED BY THAT CENTER. I CAN'T THINK OF A BETTER WAY TO PUT OUR THEORIES INTO PRACTICE GIVEN LIMITED RESOURCES.

BUT NOW, WE VERY MUCH NEED THE NATIONAL LEGISLATIVE AUTHORITY TO TEST OUT SUCH CONCEPTS AT THE LOCAL LEVEL WITHOUT GOING THROUGH THE TIME CONSUMING FEDERAL REVIEW PROCESS THAT CURRENTLY INHIBITS MOST NEW STATE AND LOCAL INITIATIVES.

SUPPORT SERVICES

GOING BACK FOR A MOMENT TO MY BELIEF THAT ALL PARENTS WITH CHILDREN ONE YEAR OR OLDER SHOULD HAVE SOME KIND OF OBLIGATION TO PARTICIPATE IN JOB RELATED ACTIVITIES, BRINGS US TO THE QUESTION OF WHAT SERVICE SUPPORTS ARE NECESSARY TO MAKE THIS POSSIBLE. ONE OF THE MOST OBVIOUS NEEDS IS FOR QUALITY CHILD CARE.

RIGHT NOW, OUR PUBLIC DAY CARE PROGRAM IS DEDICATED TO SERVING THE WORKING POOR. NEW YORK CITY CONTRIBUTES MORE THAN $85 MILLION ANNUALLY FOR DAY CARE, WHICH REPRESENTS 40 PERCENT OF OUR BUDGET, UP FROM 30 PERCENT JUST LAST YEAR. YET, IN SPITE OF OUR HAVING THE LARGEST PROGRAM IN THE COUNTRY, WE ARE CURRENTLY ABLE TO SERVICE LESS THAN 20 PERCENT OF INCOME ELIGIBLE NEW YORKERS.

WHEN WE SAT DOWN TO REALLY FIGURE OUT HOW MUCH DAY CARE FOR AN EXPANDED EMPLOYMENT EFFORT WOULD COST, WE FOUND THE NUMBERS TO BE STAGGERING, PERHAPS AS MUCH AS THE TRAINING ITSELF. IF WE TRY TO SERVE 50,000 NEW RECIPIENTS, AND THAT NUMBER INCLUDES MOTHERS WITH CHILDREN BETWEEN ONE AND THREE, AND WE ASSUME THAT AT LEAST 75 PERCENT OF THE POPULATION WILL REQUIRE CHILD CARE AT A COST OF AT LEAST $200 A MONTH FOR EACH CHILD, THE ANNUAL COST WOULD BE $180 MILLION.

WHILE FOR SOME THESE ARE BREAK THE BANK NUMBERS, I DON'T THINK WE SHOULD LET THEM FRIGHTEN US AWAY FROM AN EXPANDED EMPLOYMENT EFFORT. AFTER ALL, AS HARRIET MICHEL, THE PRESIDENT OF THE NEW YORK URBAN LEAGUE AND A MEMBER OF OUR LOCAL WELFARE REFORM STUDY GROUP, REMINDED US, MINORITY WOMEN HAVE TRADITIONALLY BEEN VERY RESOURCEFUL AND THAT RESOURCEFULNESS INCLUDES FINDING CARE FOR THEIR CHILDREN. WE SHOULDN'T DENY THEM THE OPPORTUNITY TO GET OUT OF THE WELFARE TRAP BECAUSE WE ARE AFRAID OF DAY CARE COSTS. THUS, EVEN WITH A CAP ON DAY CARE EXPENDITURES, I WOULD WANT TO MAXIMIZE THE RESOURCES AVAILABLE FOR INCREASING EMPLOYMENT ACTIVITIES.

WE MUST ALSO RECOGNIZE THE SPECIAL NEEDS OF PARENTING TEENS. CASE MANAGEMENT, COUNSELING TO ENSURE THE COMPLETION OF EDUCATION AND CAREER TRAINING, JOB PLACEMENT EFFORTS, CRITICAL PRE-NATAL AND POST-PARTUM CARE, AS WELL AS PARENTING SKILLS TRAINING ARE COSTLY, BUT NECESSARY SUPPORTS DESIGNED TO REDUCE THE LIKELIHOOD OF CHRONIC DEPENDENCE.

DAY CARE IS NOT THE ONLY SUPPORT NEEDED TO ENABLE PARENTS TO PARTICIPATE IN EMPLOYMENT PROGRAMS AND EVENTUALLY BECOME INDEPENDENT OF WELFARE. STAFF IN OUR EMPLOYMENT PROGRAMS REPEATEDLY TELL ME THAT MOTHERS' FEARS AROUND THE LOSS OF MEDICAL COVERAGE PROVIDED BY MEDICAID IS OFTEN AN OBSTACLE TO THEIR SEEKING FULL TIME WORK. WE MUST FACE THE FACT THAT MANY OF THE JOBS WELFARE MOTHERS ARE

MOST LIKELY TO GET WILL NOT HAVE EMPLOYER PROVIDED HEALTH INSURANCE BENEFITS. IN NEW YORK, MEDICAID COVERAGE IS EXTENDED FOR NINE MONTHS AFTER A CLIENT LEAVES WELFARE. IT WOULD BE WORTH TESTING TO SEE IF MOTHERS WERE MORE RECEPTIVE TO LEAVING WELFARE BEHIND IF THEY COULD BE ENSURED OF MEDICAID FOR A YEAR OR 18 MONTHS AFTER THEY LEFT THE ROLLS. AGAIN, I WOULD URGE THAT FEDERAL LEGISLATION PROVIDE THE RESOURCES AND ENCOURAGEMENT TO ENABLE US TO UNDERTAKE SUCH TESTING.

CHILD SUPPORT

ANOTHER OBSTACLE TO ECONOMIC INDEPENDENCE FOR SINGLE PARENTS IS THE FAILURE OF ABOUT HALF OF ALL ABSENT PARENTS TO MEET THEIR CHILD SUPPORT OBLIGATIONS. I BELIEVE THAT GOVERNMENT MUST FOSTER AS A POSITIVE MORAL VALUE, THE OBLIGATION OF PARENTS TO SUPPORT THEIR CHILDREN.

AS THE MAYOR TOLD YOU, THIS YEAR HRA COLLECTED MORE THAN $38 MILLION IN CHILD SUPPORT FOR AFDC PARENTS. WE ARE CURRENTLY ENGAGED IN A NUMBER OF NEW INITIATIVES THAT WE BELIEVE WILL ACCELERATE THIS RATE OF COLLECTION. IN OUR NEW FISCAL YEAR, WHICH BEGINS JULY 1, WE EXPECT TO COLLECT $48 MILLION, OR THREE TIMES THE AMOUNT COLLECTED IN 1981.

THESE IMPRESSIVE ACCOMPLISHMENTS ARE THE RESULT OF EXPANDED EFFORTS TO LOCATE MISSING PARENTS THROUGH BOTH THE NEW YORK STATE WAGE REPORTING SYSTEM AS WELL AS NEW YORK STATE AND FEDERAL DATA BANKS ASSOCIATED WITH THE PARENT LOCATOR SERVICE. IN ADDITION, OUR ENFORCEMENT CAPABILITIES WERE ENHANCED BY THE FEDERAL CHILD SUPPORT AMENDMENTS OF 1984 AND THE NEW YORK STATE SUPPORT LAWS OF 1985.

WHILE THE INCREASED EMPHASIS ON CHILD SUPPORT MAY NOT RESULT IN SIGNIFICANT FINANCIAL SAVINGS FOR SOME TIME, IT MAY HAVE A MORE IMMEDIATE IMPACT, IF IT PUTS AN END TO SOCIETY'S TACIT ACCEPTANCE OF PARENTS WHO, THOUGH ABLE, FAIL TO SUPPORT THEIR CHILDREN.

IN THIS SPIRIT NEW YORK CITY SUPPORTS THE FOLLOWING RECOMMENDATIONS:

- FIRST, AMENDMENTS TO LAW THAT WOULD ALLOW US TO BEGIN REQUIRING SOCIAL SECURITY NUMBERS ON BIRTH CERTIFICATES. THIS WOULD ENABLE US TO BETTER LOCATE ABSENT PARENTS.

- SECOND, IMPLEMENTATION OF MANDATORY GUIDELINES RELATING SUPPORT ORDERS TO THE SALARIES OF THE NON-CUSTODIAL PARENT. THIS WOULD RESULT IN MORE ADEQUATE SUPPORT ORDERS.

- THIRD, AUTOMATIC UPDATING OF SUPPORT ORDERS TO REFLECT INCREASES IN SALARY.

- FOURTH, IMMEDIATE PAYROLL DEDUCTION WHEN A SUPPORT ORDER IS ESTABLISHED. THIS WOULD GUARANTEE TIMELY AND DEPENDABLE RECEIPT OF CHILD SUPPORT.

ADEQUACY OF BENEFIT LEVELS

ANOTHER IMPORTANT COMPONENT OF GOVERNMENT'S NEW COMPACT WITH THE NEEDY SHOULD BE ADEQUATE INCOME SUPPORTS. ALTHOUGH NEW YORK RANKS SEVENTH IN TERMS OF AFDC BENEFITS, FEW WOULD SAY THAT THEY ADEQUATELY COVER THE MOST BASIC NEEDS OF FAMILIES IN THIS CITY. THE POVERTY LEVEL, WHICH IS INDEXED TO THE COST OF LIVING, INCREASED BY OVER 50 PERCENT BETWEEN 1975 AND 1980 WHILE THE BENEFIT

LEVEL REMAINED UNCHANGED. TODAY, DESPITE THE INTRODUCTION OF SEVERAL INCREASES IN VARIOUS COMPONENTS OF THE BENEFIT PACKAGE, TOTAL BENEFITS -- PUBLIC ASSISTANCE AND FOOD STAMPS COMBINED -- HAVE DROPPED TO 83 PERCENT OF THE POVERTY LEVEL; IN 1975 THE BENEFIT LEVEL WAS ABOUT 110 PERCENT OF THE POVERTY LEVEL. SIMILAR SITUATIONS EXIST IN MOST OTHER STATES.

IN MORE HUMAN TERMS, THIS MEANS PARENTS ON WELFARE ARE FINDING IT HARDER TO [illegible] AND SHELTER THEIR CHILDREN. AND, IT HELPS TO EXPLAIN THE EXPLOSION OF SOUP KITCHENS AND FOOD PANTRIES ACROSS THE CITY, AND ACROSS THE NATION. EVERY MONTH, IN A NATION OF GREAT WEALTH AND A STRONG ECONOMY, HUNDREDS OF THOUSANDS OF INDIVIDUALS ARE LINING UP FOR MEALS. IT MEANS THAT THE SOUP LINES THAT WERE FORMERLY ASSOCIATED WITH THE GREAT DEPRESSION OF THE 1930'S HAVE BECOME FIRMLY ENTRENCHED IN THE 1980'S.

ALONG WITH THE ABANDONMENT OF FEDERAL LOW-INCOME HOUSING PROGRAMS AND A FEDERAL FOOD STAMP PROGRAM STRUCTURED IN SUCH A WAY THAT RECIPIENTS LOSE $1 IN FOOD STAMPS FOR EVERY $3 INCREASE IN BENEFITS, THE FAILURE OF BENEFIT LEVELS TO KEEP UP WITH RISING COSTS SEVERELY CONSTRAINS THE CAPACITY OF A SINGLE PARENT TO VIGOROUSLY PURSUE THE GOAL OF ECONOMIC INDEPENDENCE WE HAVE SET FOR HER. HER EFFORTS ARE UNDERSTANDABLY DIRECTED AT MORE BASIC ISSUES.

THE DETERIORATION IN THE BENEFIT LEVEL ALSO HELPS TO EXPLAIN THE GROWING NUMBERS OF FAMILIES WHO ARE UNABLE TO COMPETE IN TODAY'S TIGHT HOUSING MARKET. WE WERE SERVING NEARLY 5,000 HOMELESS FAMILIES AND MORE THAN 10,000 SINGLE ADULTS AT THE END OF LAST MONTH.

MOST OF THE CURRENT WELFARE REFORM PROPOSALS -- UP UNTIL LAST WEEK -- CONCENTRATED ON PROVIDING A FLOOR FOR LOW BENEFIT STATES. IN NEW YORK, WE

RECOGNIZE THE NEED FOR SUCH A FLOOR. BUT WE ALSO SEE THE NEED FOR NEW INCENTIVES FOR RECIPIENTS WHO LIVE IN HIGHER BENEFIT STATES. INCENTIVES ASSOCIATED WITH EMPLOYMENT AND TRAINING PARTICIPATION THAT WOULD BRING THE TOTAL BENEFIT UP TO SOME OBJECTIVE MEASURE OF NEED. AND, WE BELIEVE THE FEDERAL GOVERNMENT SHOULD PROVIDE FUNDING FOR THESE INCENTIVES.

I MENTIONED EARLIER THE NEED FOR STATE AND LOCAL FLEXIBILITY TO EXPERIMENT WITH INNOVATIVE APPROACHES TO PROVIDING WELFARE RECIPIENTS WITH THE SUPPORTS AND INCENTIVES THEY NEED TO MOVE ON TO SELF-SUFFICIENCY. ONE APPROACH COULD BE EXPERIMENTING WITH THE USE OF PERFORMANCE BASED INCENTIVES. THESE INCENTIVES WOULD BE DESIGNED TO REWARD THE ACTUAL COMPLETION OF A TRAINING OR EDUCATION PROGRAM OR ATTENDANCE IN A SUPPORTED WORK ASSIGNENT, LANDING A JOB, OR MEETING SOME OTHER MILESTONE ON THE WAY TO ECONOMIC INDEPENDENCE.

EXAMPLES OF SUCH PERFORMANCE BASED INCENTIVES INCLUDE:

o AN INCREASED BENEFIT OR A WORK EFFORT OR EDUCATION SUPPLEMENT;

o AN ACCUMULATION OF FUNDS SET ASIDE FOR THE EDUCATION OF A RECIPIENT'S CHILDREN; OR

o AN ACCUMULATION OF CREDITS IN THE SOCIAL SECURITY SYSTEM.

I BELIEVE SUCH INCENTIVES WOULD SET THE TONE AND SEND THE MESSAGE THAT WORK IS A POSITIVE ACTIVITY.

CONCLUSION

I CANNOT EMPHASIZE STRONGLY ENOUGH, THAT THE PRIMARY OBSTACLE FACED BY THOSE WHO ADVOCATE FOR REFORM IS WHO WILL BEAR THE COST. EVERY EFFORT AT MEANINGFUL WELFARE REFORM FOR OVER 20 YEARS HAS FOUNDERED ON THAT ISSUE. CLEARLY, EMPLOYMENT, TRAINING, EDUCATION, SUPERVISION, AND SUPPORT SERVICES ALL HAVE BIG PRICE TAGS. BUT THE PRICE TAG OF OUR FAILURE TO MAKE THIS INVESTMENT, IS ALL TOO EVIDENT. THE FOSTER CARE CRISIS, CRIME, DRUG ABUSE, HOMELESSNESS, AND THE ISOLATION OF A WHOLE SEGMENT OF OUR POPULATION FROM PARTICIPATION IN ECONOMIC AND COMMUNITY LIFE ARE THE COSTS OF THAT LACK OF COMMITMENT. OVER 20 YEARS AGO, SENATOR MOYNIHAN, YOU PUT FORWARD "THE CASE FOR NATIONAL ACTION." IT IS HIGH TIME THAT ACTION WAS UNDERTAKEN.

TESTIMONY OF
CESAR A. PERALES
COMMISSIONER, NEW YORK STATE DEPARTMENT OF SOCIAL SERVICES

I appreciate the opportunity to appear here today and offer my observations and comments on the complex question of welfare reform.

As the chief welfare administrator of your own state — a state with a proud tradition of compassionate treatment for the poor — I would like to offer to you an idea of the programs we have developed, the directions we would like to take, and the challenges we are facing. These I hope will be instructive as you proceed with the exciting and promising work of welfare reform. While I am extremely proud of what we in New York have accomplished, I know — as Chairman of the American Public Welfare Association's Employment Committee — that my colleagues from across the country are making similar efforts to bring their programs into accord with the economic and social realities of our times.

The current national debate on welfare reform provides a rare opportunity to make sweeping and much-needed changes in a system which was devised a half-century ago. The original purpose, as expressed in Section 401 of the Social Security Act, remains fully applicable:

> "...to help maintain and strengthen family life and to help (people) to attain or retain capability for maximum self-support and personal independence."

But economic and social changes require us to search out new means for carrying out this purpose. So deep and pervasive are these changes that nothing less than a wholesale rethinking and restructuring of relationships among individuals, the community, and the state is required. The debate involves basic issues about work and welfare, about responsibilities of parents to children, and about how to provide public services in ways that promote self-sufficiency as a primary objective of the welfare system, while still assuring that those who are meeting their responsibilities are not deprived of the means to live in dignity.

I will begin by mentioning the highlights of a special effort undertaken last year by the Governor's Task Force on Poverty and Welfare Reform. This will provide the context for a more detailed discussion of some of the specific issues that must be addressed in any comprehensive view of welfare reform. These include employment and training, child support, basic education, housing and the respective roles of the Federal and State governments.

Governor's Task Force

As you know, last year Governor Cuomo appointed a task force of nationally recognized experts to examine the issues of poverty and welfare reform. The task force's report was completed and delivered to the Governor last December. I know that you are familiar with its findings, as you took testimony in January from Mary Jo Bane, who served with me on the task force. The report, entitled A New Social Contract, provides an overall framework for thinking about the critical issues.

The report proceeds from the principle that an examination of poverty must start by focusing on the economy and the productivity of our labor force. The first line of defense against poverty is maintaining a healthy, full-employment economy. While we have undertaken various economic development efforts that have helped add 800,000 jobs to the State's economy in the last four years, we recognize that the task of macroeconomic management is one that only the Federal government can assume. We need sufficient entry-level jobs offering adequate wages and benefits to the many unemployed women who find themselves forced to rely on public assistance. We also need to redouble our efforts in job training and related preparation among the poor, and to reduce discrimination in wages and employment.

We must invest in our labor force, to increase the level of worker skills. Our economy is shifting to one which increasingly demands higher levels of skills and competencies. In a technology-based service economy, there are few jobs, even at entry levels, for those who cannot read well enough to follow a set of instructions or perform simple arithmetic computations. Yet we find that the poor are often the least prepared to meet labor market requirements. For the sake of our economy and our society — as well as the sake of these individuals — we simply cannot afford to write off the productive capacity of an ever-growing number of potential but undertrained and unemployed workers by declining to make the necessary investments in education and training.

Changing patterns of family structure and work behavior call for a re-examination of public assistance and related programs. As you have pointed out, our primary program for the relief of poverty among children — AFDC — was created in 1935. At that time, poor women were likely to be widows — not divorced, abandoned, or never married, as is the case today. Few women worked outside the home in those days, in contrast to our modern era, where women's labor force participation rates have skyrocketed. Today, most women, even married women with young children, are in the workforce. As this trend continues, most new job entrants between now and the end of the century will be women. Not surprisingly, AFDC is poorly adapted — even counterproductive — in an environment in which it is reasonable to expect that women as well as men can work, and when we wish to encourage them to do so as a means to self-sufficiency. And, despite recent improvements, we have not sufficiently developed and integrated mechanisms to embody the notion that parental responsibility for furnishing financial support to his children does not end with his departure from the home.

These basic premises suggest a series of programs and initiatives. Some of these we have undertaken in New York, and I would like to share a few of them with you. Others remain to be put in place or brought to fruition. For many of these, we need the active support and cooperation of the Federal government. Together, they constitute the texture of a reformed welfare system.

Employment and Training

Something of a revolution has taken place in the public welfare field in recent years. Driven by the social changes mentioned above, welfare systems have changed their objective, from maintenance of the poor to helping them achieve self-sufficiency. Economic independence, not reliance for indefinite periods on transfer payments, is now the basis on which we structure our programs. For many, a job is the best and surest way out of poverty. This fact has put our employment programs at the forefront of what we do.

In 1984, my Department created the Comprehensive Employment Program, under which our local social services districts bear primary responsibility for employment and training services for public assistance recipients. Using WIN-Demonstration authority, we have unified leadership at the State level, and have translated this down the line into continuing improvements in our success rates. We have also been the nation's largest user of grant diversion and the Targeted Jobs Tax Credit. Last year, our local social services districts and their allied agencies reported a total of nearly 54,000 unsubsidized jobs secured by public assistance recipients.

We are, of course, not alone in undertaking broad-scale welfare employment initiatives. Many of our sister states are also creating programs that provide a full range of employment-related training and services as part of a self-sufficiency strategy.

What do we need, then, from the Federal government? What should a sound welfare reform policy include?

First, we need a clear delineation of administrative responsibility for welfare employment programs. The core responsibility for coordinating services must reside unambiguously in one place, and that place should be the public welfare agency. Public assistance recipients are our only clients, and the task of making them self-sufficient should be our primary mission. We, of course, need to secure the assistance of JTPA, the Labor Department, educational agencies, community-based organizations and other providers, but it is essential that basic responsibility reside in the one agency whose sole responsibility is to provide for the multiplicity of the client's needs for social and support services, as well as discrete employment and training assistance.

As you may know, APWA has also taken this position. We note with some concern that the various bills which have already been introduced adopt various approaches on this point, and I urge you to be sensitive to the matter when you introduce your bill.

Second, we have learned that effective programs are based on individually-tailored, flexible use of a broad range of tools. We know that our clients constitute a diverse group whose needs, aspirations, abilities and life situations vary greatly. The only sensible way to address the client is on an individual, case-managed basis. More and more, we in New York are using an initial sequence of assessments, employability plans and opportunity contracts to lay the foundation for active management of the agency's services. At the same time, these steps help make our clients full partners in the process of achieving self-sufficiency, by involving him or her in developing self-awareness and generating commitment.

We have specifically applied this case management technique for certain groups which have traditionally been considered "hard-to-serve" and have unfortunately been ignored or underserved in the past. We have been impelled to act by the recognition that those who are at the greatest risk of prolonged dependency can also offer the greatest return on investments in self-sufficiency.

Recognizing the special needs of teenage parents, New York has begun a series of case management projects. Under our Teenage Services Act of 1984, pregnant and parenting teens are provided with a broad range of services. Beyond basic necessities, especially adequate medical care, special attention is paid to helping the teenager obtain a high school degree and encouraging responsible family planning as keys to avoiding long-term dependency. Using what we have learned from these pilot projects, we will implement this program Statewide next year.

Another of New York's innovations targets mothers of young children — a group who tend to stay the longest on welfare but who, again, have been traditionally ignored by the welfare employment system. This year, we have established nine programs throughout the State called Comprehensive Employment Opportunity Support Centers, or CEOSCs. These centers, operated by public agencies and non-profit organizations, provide a unique mix of education, vocational, supportive and job placements services — a type of "one-stop shopping," if you will — to these women on a voluntary basis. Our nine pilot programs will serve approximately 3,500 clients in this initial year of operation.

The CEOSCs embody several points that I think are critical to well-run employment and training programs. First, as I have already suggested, they make use of thorough assessments and opportunity contracts as the basis for setting goals, providing service and monitoring progress. Second, CEOSC participation is fully voluntary on the part of the client. Notwithstanding strong feelings in some quarters that even women with very young children will not participate effectively unless required to under threat of loss of their welfare benefits — reservations which were originally shared by some of our prospective operators before these projects got under way — our CEOSCs are proving that if you construct a sound program, volunteers will not be lacking. I expect this learning will only be confirmed as we expand the program this year and in the years ahead.

We are also seeing the need for a range of services that goes well beyond the traditional skills training and placement assistance activities. More and more we see the need to provide educational programs before the client can be considered even close to job-ready. It is manifestly clear that possession of basic competencies is becoming a prerequisite for success in the labor market. We are redoubling our efforts to secure resources in basic and remedial education, literacy training, bilingual education for non-English speakers, and GED preparation.

We also see that child care is as essential as skills training, especially if we wish to pursue a strategy of early intervention rather than waiting until youngsters have reached school age. It does little good to establish training programs for mothers who cannot find child care for their children while they study. Nor does it help to have programs if our clients lack the means of transportation to reach this program site; this problem is especially acute in rural areas.

We need enhanced Federal support and encouragement in these areas. A sound employment and training bill will embrace a full range of activities, from assessment and planning through educational activities to skills training and placement. Child care must not be treated as an ancillary service. It should be supported on the same basis as other training activities. While I understand that there are certain budgetary realities, it needs to be made clear that if states are to be encouraged to provide more in the way of child care, enhanced Federal dollars must be made available.

We also need to pay more attention to what happens to clients who have been helped toward independence. It does little good to provide extensive supports to the unemployed during training an then withdraw them immediately once a job has been secured. Again, we come to day care. If it is a problem during training, it is still an essential need once a young mother is employed. New York State is providing nearly $25 million this year for day care for the working poor and others who are not public assistance recipients; we need some "resonance" from Washington, some recognition that this priority is national and not just local. We also need a way to protect clients against the possible loss of health insurance coverage that they face when earnings make them ineligible for Medicaid. In too many cases, part-time work or employment in the secondary labor market — all that is available to our clients —lacks this benefit that most people take for granted, and that few heads of households would do without. As with day care, the Federal government must recognize the need to provide either employer incentives or direct program expansion.

Finally, the Federal government must provide fiscal support for programming along the lines I've discussed. It is the Federal government, far more than the states, that benefits from investments that reduce welfare dependency, including associated food stamp costs, by helping people become tax-paying, productive contributors to economic growth. It is thus both necessary and appropriate that the Federal government assume the greater share of the cost of employment and training programs, as WIN traditionally did.

We also are in desperate immediate need of interim relief. Unfortunately, funding dwindled, from more than $360 million in federal fiscal years 1979 through 1981, to a bare-bones appropriation of $110 million as partial-year funding during the current period. This amount was intended to last through the current month, although New York, in fact, exhausted its funding several months ago, as did many of our sister states. When this last round of funding was secured, it was expected that comprehensive legislation would be in place by this time. It is now clear that this will not occur for at least several months more. I hope that Congress will not leave a gap that would further threaten our ability to hold things together pending a clear resolution. I urge you to exert your leadership to see that we have the means to continue our efforts, even as we labor together to forge a new and better federal program.

Child Support

Let me move now to another area where current practices are only beginning to catch up with new social realities. Changing family patterns make it necessary to reaffirm the obligation of parents to provide financial support for their children, even if the family is not living under one roof. Using our Statewide Child Support Management Computer System, New York has put in place an automated income execution system that is proving ever more effective in recovering payments from absent parents. Essentially, the computer is first used to do computer-to-computer matches of delinquent payers with State sources of employer information, such as the Department of Taxation and Finance and the Department of Labor. Once an income source is identified, that same computer will send out the notice of income execution first to the support payer who can exercise his or her rights of due process. Then, if no valid defense is raised, an order generated directed to the employer. The only worker intervention required is reviewing evidence in defense of the income execution; otherwise, the "system" does the work. As a result of this process, we conservatively estimate that we will receive about 150 income executions per week from 7,500 delinquent payers, resulting in $14 million in child support collections in the projects first full year. This project, now being implemented in New York City, will be extended to upstate on a pilot basis this summer, and will be fully operational by the end of the year.

With this new system, as well as such tools as tax refund intercept, New York has been able to almost double its child support collections during the Cuomo Administration, from 157 million in 1982 to 285 million in the current year.

To ensure that support award amounts are adequate, Governor Cuomo has proposed to establish child support guidelines. While the child support formula currently contained in State regulations is in compliance with federal regulations which followed the Federal Child Support Amendments of 1984, we are currently seeking State legislation which will make the guidelines truly meaningful. While our current formula is being used by State child support workers in petitioning for support on behalf of their clients, it is not binding on judges or hearing examiners. As a result, awards vary significantly from county to county and, even, within the same county, from judge to judge. Although there is room for judicial discretion under our proposal, it would for the first time provide presumptive guidelines that require calculation of the child support obligation for each case as well as a written explanation when the amount awarded differs from what the formula would indicate.

Governor Cuomo has also proposed a wholly new Child Support Supplement Program, which would combine improved work incentives for custodial parents with reformed child support guidelines. We think this program promises a far better way to improve the economic well-being of children by first placing reliance on the contributions of their parents, with the State prepared to supplement these contributions where necessary. We will need Federal authority to conduct this demonstration. I am happy to say that the House appears to be moving toward granting us legislative approval and I hope that your bill will include the same authority for us.

We also need to give serious consideration to the notion that a newborn should not leave the maternity hospital without either a father's name on the birth certificate or the first steps taken toward establishing paternity. Beyond its fiscal impact, I believe that such a policy would serve to affirm notions of parental responsibility, and induce corresponding changes in behavior. Sound federal policy would establish positive fiscal incentives in support of a program to affirm the right of every child to know the identity of his or her father.

Housing

The phenomenon of homelessness is perhaps the most dramatic manifestation of the failure of federal policy. We in the welfare system have been forced to deal as best we can with this failure. But despite our best efforts, and the initiatives undertaken by New York and other states to fill the void left by the absence of a sound federal housing, it is clear that we are dealing with second-best solutions.

Simply put, we need a national housing program for low-income individuals and families. At its peak, the federal Section 8 program supplied $3.2 billion a year to the State's housing market. The program has been allowed to wither away, while the current national Administration proclaims that the housing supply is now adequate to meet demand and that rent vouchers are all that is needed to assist low-income people in finding a decent place to live.

We know that this is simply not so. In New York City, it is estimated that some 200,000 new or rehabilitated low- and moderate-income units are needed to bring the market into balance. New York has recognized this, and has created the $150 million Governor's Housing Trust Fund, Affordable Housing Corporation and allied programs to expand the supply of affordable housing. Other states are following suit, but primary responsibility belongs at the national level.

Even these programs, however, generally fall short of meeting the needs of those on public assistance and others living below the poverty line. We need to create housing that will be affordable by those with very low incomes, and not just rely on a general expansion of housing supply to address the housing needs of the poor. The Federal government has been willing to deal with some of the most urgent symptoms of the failure of national housing policy, granting funds under the Federal Emergency Management Act for the operation of food pantries and soup kitchens. But the Urgent Relief for the Homeless Act will provide federal support for transitional and supported housing. Once again, the states have been forced to fill the gap. New York State's Homeless Housing and Assistance Program represents a truly pioneering effort to create new housing and support services for homeless people. This program has become a model for similar efforts mounted by other states and municipalities throughout the country. To date, we have completed 50 projects providing housing for almost 3,000 persons. Another 30 projects are in construction. These 80 total projects represent state contracts of $34 million. An additional 75 projects to which we have allocated $36 million are in the pre-development process and should be in construction or completed in 1988.

We are also tapping the stock of in rem housing in New York City and elsewhere, using whatever ways we can devise to help municipal and other owners rehabilitate apartments and make them available to our clients. We are constructing projects as transitional housing, but have designed them to be eventually suitable as permanent housing. In these efforts, however, we are hamstrung by our inability to use public assistance funds for capital projects, even when this would be cost-effective by helping us avoid the extraordinarily high expenses incurred in shelters and other temporary or transitional accommodations. We applaud your efforts to provide the appropriate authority.

Federal and State Roles

I should like to conclude with several observations about the roles and relationships of Federal and State governments. I will mention issues of uniformity and diversity, support and coordination.

I am deeply distressed at the degree to which the Federal government has in this decade moved toward abandoning a leadership role in the whole field of social welfare policy. Too often, the relationship between Washington and the states is adversarial, not collaborative. Make no mistake — I deeply believe in our federalistic system, and I recognize that we have different roles to play. The states can be important laboratories for policies and programs, and I am extremely proud of the initiatives we have devised to improve our responses to the challenge posed by the persistence of poverty amid plenty. At the same time, however, we all need to be pulling in the same direction. If we are to be one nation, we must have a welfare system whose framework and impulses exhibit greater consistency than we see today.

To take only one example: Many of the welfare reform bills already filed address the issue of a minimum level of benefits. As you know, the APWA urges adoption of the Family Living Standard approach, under which the Federal government would determine a standard market basket of goods required to maintain a minimum standard of living, with the state then responsible for pricing this basket of goods in the local market and determining a standard of assistance. I am concerned about the alternative approach, which would tie minimum benefit levels to a state's median income, as is proposed in the House Ways and Means bill. It is simply wrong to suggest that because income in Mississippi are generally about half those in states such as Connecticut, that poor Mississipians can exist on half of what it takes to get by here in the Northeast.

Finally, no comprehensive welfare reform proposal can ignore the need for policy and program coordination at the national level. The leading case in point here concerns the Food Stamp Program. The reduction of benefits to clients living in temporary housing results from having food stamps and public assistance programs administered by separate agencies and subject to different rules. In everything from budgeting and the increased potential for case-processing errors, to the reduction in benefits that follows an increase in the public assistance payment standard, we see food stamp rules undercutting our efforts to improve the lot of our clients and administer programs efficiently. The House Ways and Means bill would create a commission to examine problems of coordination among programs, including food stamps and public assistance. I suspect that, just as in the case of WIN's dual administration, the problems will persist as long as the current structure is retained.

Conclusion

Few matters on the domestic policy agenda are more crucial than that of welfare reform. Through a half-century of the accretion of statute and practice — and in the face of changing social economic realities — we have reached the point where fundamental change is now within our grasp. I am confident that, through your leadership, this opportunity will not slip from us, and that you will not rest until the task is completed.

United States Senate Finance Committee
Sub-Committee on Social Security and Family Policy
Hearing on Welfare Reform
Court of International Trade, NYC -- Mon., June 15th

Prepared Remarks by
Westchester County Executive Andrew P. O'Rourke

Thank you Senator Moynihan and the distinguished members of the Senate Sub-Committee on Social Security and Family Policy for the invitation to testify this morning on welfare reform.

As Westchester County Executive, I am responsible for a local social services district which plans to spend over $268 million this year to provide assistance -- in the form of income maintenance, medical assistance and personal services -- to almost 100,000 persons. My experiences with welfare, however, predate my tenure as County Executive or even County Legislator. One of my first full-time jobs was as a welfare worker for the City of New York and earlier, during the less fortunate periods of my childhood, my mother had to rely on public assistance to provide for her family. This morning's observations are rooted, therefore, in these three very different perspectives I have had of the system.

Before addressing a number of specific issues, I would like to spend a moment or two discussing welfare reform in general.

There's no doubt that the system doesn't work as it was intended to work. Aid to Families with Dependent Children was designed to provide temporary financial support to mothers and their children unable to support themselves. Instead, A.F.D.C. has bred dependency in successive generations.

The debate, however, on how to fix the system, should entail much more than arriving at a compromise between those who think we've failed because we spend too much and those who think we've failed because we spend too little. For many of our nation's poor, poverty is not just an economic problem, readily solved by income transfer programs or tax incentives. For these among our poor, poverty is a result of the absence of social integration.

In his work published last year, Beyond Entitlement, Dr. Lawrence Mead argues that America's poor fail to enter society's mainstream because existing programs do not obligate them to work, to finish school or even to obey the law. He proposes an authoritarian policy that would require recipients of public assistance to meet certain standards of social functioning in return for public support.

I'm not very comfortable with many of Dr. Mead's conclusions and recommendations, but I do share his opinion that our view of social programs as social charity is an impediment to meaningful welfare reform -- reform which balances the rights of our poor with their duties to our society. I believe we have an obligation to care for those who cannot care for themselves. I also believe that those who rely on public support have an obligation to work affirmatively towards ending that reliance. Under no circumstances should the public be obliged to support individuals who are able to support themselves, yet that is what our present system encourages.

A true reform of the welfare system will accomplish three things:

. first, provide a consistent, humane level of care for those who, for illness or other reasons, will never function in society's mainstream;

. second, provide whatever services are necessary -- training, treatment, child care, income maintenance -- for those who with help can one day enjoy full integration in community life; and

. third, deny assistance to those who are able to help themselves and refuse to do so.

Having set a standard, I'd like to outline some recommendations on how to meet it in three areas -- housing for the homeless, child support and employment opportunities for mothers receiving A.F.D.C.

Mention Westchester and the image that comes most often to people's minds is one of affluent suburban living. In social services circles, Westchester is known for its growing homeless crisis, which, on a per capita basis, is as severe as that of the City of New York. In April of this year, 750 Westchester families, with 1450 children, were homeless. The balance of our 3,100 homeless people is made up of 800 singles. These figures represent a 62% increase in just one year in the number of homeless families, and a 78% increase in the total number.

Unlike the City of New York, Westchester County has precious few resources with which to mitigate this crisis -- as a county government we are not permitted to build public housing, we have no inventory of *in rem* buildings or properties and our supply of available motel rooms within our county is insufficient. State shelter allowances for public assistance recipients average less than 50% of the market rate for rental housing. Over 1,000 Section 8 certificates available to Westchester residents are idle because Fair Market Rents are set too low. As a result, we will spend over $22 million -- half of it federal aid -- on homeless A.F.D.C. families this year.

The ever-increasing financial cost of our homeless problem is worrisome. The incalculable cost to our homeless families, and especially our homeless children, is tragic. Fully 40% of our homeless families are placed in motel rooms outside of Westchester, sometimes as far away as Poughkeepsie. To continue their educations, children placed there have to be transported to and from their school district of origin each school day. And in just two years, the average length of stay in a motel for a homeless family has doubled -- to 12 months.

The solution is obvious -- build permanent, low-cost housing for homeless families. It would be cheaper for our taxpayers; it would be more humane for our homeless. Unfortunately, federal and state welfare regulations allow us to spend almost whatever it takes for emergency accomodations and nothing at all for capital costs for permanent housing.

I support a demonstration program which tests whether emergency payments for shelter to homeless families can be reduced by diverting some A.F.D.C. funds into the construction of permanent housing. I am sure the test will prove it can. To house the average homeless family in a motel for one year Westchester spends $20,000 -- half of it federal share. A $2 million allocation to Westchester under a demonstration project would enable not-for-profit organizations, under contract to the County, to build or rehabilitate 200 units of housing. With 227 families now placed out-of-county, we could bring 90% of them back, save $1,400 per month, per family on shelter costs and reduce our total homeless budget by 10%. I would welcome the opportunity to have Westchester compete with other communities for designation under such a program.

One final point on homelessness: Westchester has the bulk of the homeless problem in New York State outside of New York City, but we are far from being alone. As Chairman of the New York State Association of Counties Task Force on the Homeless, I can attest to the concern among county officials from at least Albany, Dutchess, Orange, Putnam and Rockland Counties, who face homeless problems of their own.

You are undoubtedly familiar with statistics which show that though one of every five children in the United States is eligible for child support payments, 40% of this number do not have support orders. For the remainder who do have support orders, more than half of the absent parents are in default. This costs the taxpaying public more than $4 billion per year in the form of higher spending for A.F.D.C. In Westchester County, uncollectible support orders resulted in a loss of over $3 million in 1986.

Both mothers and fathers must be made responsible for the welfare fo their children, whether born in or out of wedlock. The Federal government can help local social services districts do just that.

The key to improving child support collections is to improve the establishment of paternity. During 1986, Westchester County received 2,950 requests to establish paternity. More than two-thirds -- 68% -- lacked sufficient information to identify and locate the legally responsible parent or parents. Obstacles to improving this record include insufficient state and federal reimbursement for costs associated with establishing paternity, lack of inter-state cooperation and difficulty in obtaining social security numbers and last known tax-filing addresses.

To overcome these barriers, we recommend:

. one, that incentives for local social services districts to locate absent parents be increased by separating federal performance indicators for paternity establishment from collection activities and increasing reimbursement rates for legal and investigative activities to 90 percent;

. two, that child support enforcement offices be granted increased access to information available through the Internal Revenue Service and the Social Security Administration to locate missing parents; and

. three, that the institution of reciprocal agreements between states in establishing paternity be mandated.

Once paternity is established, some parents still must be forced to pay child support. Implementing our previous recommendation to increase access to IRS and SSA information, will help. Methods must be developed to secure payments from non-salaried or self-employed absent parents. And finally, regional minimum support standards ought to be formulated to guide local courts in establishing support payments.

Westchester County's unemployment rate of just 3.4% fuels a strong demand for entry-level job applicants in a variety of industries, with many salaries above the minimum wage. At the same time, more than 5,000, able-bodied Westchester A.F.D.C. recipients were excused in 1986 from participation in employment programs, simply because they are caring for a child under six years of age. Our present system discourages women on public assistance with pre-school age children from joining the work force, while more than half of the women with children under three years of age in the United States now work.

I support requiring able-bodied mothers receiving public assistance to return to work or an employment program six months after giving birth, absent any unusual health complications. To accomplish this, two major disincentives to work for public assistance mothers that now exist must be corrected:

. Entry level jobs in service industries rarely provide comprehensive health benfits. Mothers should not have to choose between medical protection for their children and working. Medicaid eligibility ought to be extended even after a case is closed because of income from employment absent adequate health coverage from the employer.

. Similarly, many companies do not provide on-site child care. Public assistance day care payment rates are already so low as to leave A.F.D.C. mothers unable to compete with non-welfare mothers for available day care. As an incentive to employment, perhaps a second, higher schedule of day care benefits can be established for A.F.D.C. mothers who work.

Breaking the vicious cycle of poverty and dependency is too important a goal to focus only on eliminating disincentives to work. If we are truly serious about reducing welfare expenditures, if we truly care enough about poor people to want to integrate them fully into society's mainstream, then welfare reform will also embrace incentives to work.

A gradual reduction of public assistance benefits, regardless of income from employment, instead of the current practice of immediate termination of benefits at very low income levels, should be tried on a demonstration basis. For second or third generation recipients, public assistance is a security blanket, though a minimally adequate one. We must dare to offer a better one if we are to succeed in promoting independence.

Thank you for your consideration of my testimony, and our Commissioner of Social Services, John Allen, and I, would be pleased to answer any questions you might have.

Testimony of Councilmember Ruth W. Messinger before the Senate Finance Subcommittee on Social Security and Family Policy, U.S. Court of International Trade, Ceremonial Courtroom, 1 Federal Plaza, Monday, June 15, 1987

Senator Moynihan, Council President Stein: thank you for the opportunity to testify here today.

I have spent many years working on the issue of education and job training for welfare recipients. As a social worker, I have seen the crippling cycle of poverty caused by a lack of education and job training. As a member of the New York City Council for the past nine years, I, along with others, have tried to design functional solutions to this growing problem. More specifically, over the past two years my office has prepared a number of reports on the problems of welfare recipients--especially single mothers--who wish to obtain a college education; an education which is becoming more and more necessary in today's society.

The present Public Works Program (PWP) and Work Incentive Program (WIN) represent a good idea gone awry. WIN, for example, requires that all AFDC clients whose children are over six years old, either secure employment, participate in a work experience program (workfare) or enter a government approved training program. The mandatory nature of this program, however, undercuts its good intentions. Forcing all AFDC recipients to seek jobs or job training, makes the program punitive in nature and thus less effective. Job training should be a way out of poverty; not a punishment for falling into it. More important, people who decide for themselves to seek an education make better students than those forced into the classroom. Voluntary programs, such as the one in Massachusetts make it clear that a large percentage of welfare recipients will readily sign up for jobs and job training if given the chance. For this reason, proposals to increase the mandatory nature of the program--by including mothers whose children are younger than six--would be counter productive, and, in fact, unnecessary. A U.S.D.L report concludes that:"Welfare recipients and other low income persons (along with most Americans) have a strong work ethic, want to work and when feasible, do work."

Even if made voluntary, programs such as WIN have several flaws in both their employment and job training aspects. In terms of employment, a report of the Comptroller General found that 60 percent of those welfare recipients who obtained jobs through WIN still needed state assistance to survive. (1) As a result, such jobs--often only short term employment--do little to help their holders escape the welfare lines.

WIN sponsored education and job training, has proven equally inadequate. State licensed proprietary schools--which under WIN pass for educational opportunities--provide minimal training for only the lowest income jobs. As a former HRA official admitted: "There are 250 state licensed proprietary schools and they have minimal curricular requirements." If we are ever going to crack the cycle of poverty we must provide real job training which will lead to real, long-term, substantial jobs. To this end, the government should more carefully monitor these proprietary schools.

Where there are legal violations found in proprietary schools, both public assistance and state and federal funding should be denied to these quick fix institutions. A Brooklyn Legal Services attorney recently wrote a letter to the New York Times, stating that while the pot of Pell grants meant for the neediest students is shrinking, a growing percentage of these grants are going to profit making, proprietary schools, rather than to nonprofit colleges and universities. (2) I mention this because Legal Services represents an increasing number of former vocational school students who have claims of consumer fraud, breach of contract and violation of Federal law by these private schools. (3) Yet proprietary schools distribute advertising flyers in front of welfare centers, while the CUNY educational option is under represented.

In light of these abuses, it seems appropriate to involve the higher education system fully in the preparation of employment. Chancellor Murphy has provided my office with figures that show the high number of public assistance recipients in our CUNY system.

It's time that we start considering a college education as viable job training. For example, The City University of New York's Community Colleges offer over 60 technical areas of study including business management, marketing, nursing and dental hygiene. Although 54 percent of CUNY students come from families with total incomes of less than 12,000 dollar, the average CUNY graduate earns between 18 and 19,000 dollars within a year of graduation. (4) The unemployment rate among New York Community College graduates is an impressively low five percent.

Clearly this is successful job training. And more important, it's job training which many mothers who receive welfare want and for which they are prepared. A full 40 percent of AFDC recipients are high school graduates. (5) In addition, according to Chancellor Joseph Murphy, 15,000 AFDC recipients are students in the CUNY system.(6)

Despite this success, WIN will not accept attendance at a two or four year liberal arts college as an approved program of job training. Not only does this prevent college students on welfare from receiving educational aid such as child care but it devalues the efforts of those whom we should be encouraging. As one college welfare recipient explained: "When I went (to welfare) and told my caseworker I had quit school because I just couldn't do it, she got this self-satisfied smile on her face and said, 'Well, it's probably better this way. You're young, you're attractive, you can find a man.' I stared at her and I said, 'Look around this room. We are all here because we found a man.' They want you to get married to get off welfare. They have no intention of your becoming economically self-supporting. As a matter of fact, they do everything within their power to make sure your don't."(7)

Instead of discouraging those receiving public assistance from attending college we should be providing the support services needed to make such an endeavor possible. For example, members of my office worked with CUNY financial aid coordinators and other City University representatives to set up a CUNY Welfare Advisory Council as well as laying the groundwork for a CUNY Student Welfare Information Center. The former tackles the problems many college students continue to have with the department of Social Services. The latter is expected to coordinate the various special schools within CUNY such as the Hunter School of Social Work and the CUNY Law School, in an effort to provide information and referal services.

In addition, we must begin providing adequate day care for children. Day care--especially day care combined with Head Start type services--provides innumerable benefits to both parent and child. Study after study has shown that children who receive early educational and socialization experiences are much less likely to drop out or need remedial education later on. In short, they are less likely to fall into the cycle of poverty enveloping their parents.(8)

For the parents, the need for day care is even more critical. Without a safe and affordable--which for many poor people means free--place to leave their children, AFDC recipients will not be able to hold full time jobs, or attend college or training programs. Unfortunately, there is an extreme shortage of acceptable day care and less than twenty five percent of all eligible children now receive day care services. (9) To begin alleviating this problem, members of my staff orgnized a Welfare Mothers' Support Group, giving students an opportunity to tell their school administrators what they need. For Example, they suggested that PA STUDENTS BE ALLOWED TO REGISTER EARLIER, (Just as athletes, honor students and disabled students do). So that their classes can be scheduled around the school schedule of their children.

Clearly, education and training programs have the potential to become great successes. However, the following reforms are needed:

1). CUNY, SUNY and similiar higher educational structures should be involved in the drafting of training approval guidelines.

2). Their PA students should be funded by training stipends as they would be in more short term training schools.

3). College training should be considered APPROVED training, not just exempted until the unassigned pool is depleted. This way students would be eligible for child care and approporate training stipends for car fare, books and other expenditures not in PA budget. Deducations should not be made from food stamps for these families who remain below the poverty level while attending school.

I have chosen to focus on Public Assistance recipients, the higher education system and child care because they are important issues and two members of my staff have devoted two years to the research. However, I would like to make several other points.

1). There is a need to increase the minimum benefit level if we are really talking about feeding, clothing children and keeping families intact. The State Department of Social Services has figures that show that for a family of four (4), the current welfare standard if $8480.40, whereas the official federal poverty level standard is $11,200.00. (10) As I said earlier, even when food stamps are included in the sum, welfare income is 83.5% of the federal poverty level (NASW figures). Ultimately, only a change in the Standard of Need and the Basic Grant level will improve the position of PA recipients. The Standard of Need has to be reformulated and based on actual family living requirements.

2). Read carefully (and you may already have done so) Hope or Hassle: A Study of NYC's Welfare to Work Initiative for AFDC Recipients, published this Spring by Statewide Youth Advocacy of Rochester, NY. A lot of thought went into this publication on welfare and work. And I know that this is a topic that particularly interests you, Senator.

Policy makers should reinforce the notion that mothering and child care is making a valuable contribution to society. We are promising jobs and training in our rush to remove recipients from welfare roles; but we are resorting to workfare far beyond levels we should be. Frances Fox Piven and Barbara Ehrenreich co-authored a New York Times op ed article "Workfare Means New Mass Peonage." They concluded by asking "Why is a job flipping hamburgers or working in a K-Mart a greater contribution than caring for the next generation of citizens." Our position has always been that women who wish to enter the workforce - in the home or on the job - should be respected and rewarded adequately.

3). We want to be sure that the federal government rewrites laws to keep a careful eye on state regulation and state practices. It is dangerous to provide too many waivers to the States, people do as they wish and don't follow guidelines. Practices reflect attitudes and not the law. This point is reflected in Dr. Anna Lou Dehavenon's most recent report Toward a Policy for the Amelioration and Prevention of Family Homelessness and Dissolution: New York City's After Hours Emergency Assistance Units in 1986-87. Dr. Dehavenon observed 889 households with 2,243 individuals; and spoke with 84 households with 247 individuals at Emergency Assistance Centers. She has countless examples of different staff giving out different information.

As must be apparent to policy makers by now, family policy has to be viewed comprehensively. Less crime, less abandonment, fewer pregnancies are all part of healthy family environments of both traditional and non traditional families.

4) The notion of non traditional families should demonstrate approval for alternate living arrangements. For instance, one college advocate we know found herself complaining to the I.M. office about the low shelter allowances for her PA students; she was afraid they would become homeless. The IM worker responded "Tell them to double up". The college advocate replied "But, as you know, that's against the law". The I.M. official said, "The recipients do it anyway".

Having to lie to the system is what many PA recipients are left with. This makes them feel dishonest for developing survival strategies in the absence of humane welfare policies and feeds into the negative stereotyping of the poor.

5) Finally, what we need to recognize is the high rate of self motivation involved in self - improvement activities that are not sanctioned because of the shortsightedness of the system. Mothers know what they need to take care of their families, but we policy makers too often forget to ask them how the system should be structured to better serve them. As a consequence, two groups who pretty much want the same thing - self-suffiency for the welfare recipient - are not able to have equal input into its implementation.

Summary

This testimony is not intended to be negative, but I feel that we all benefit from proceeding slowly, by looking what appears to be the best models of welfare-to-work in Massachusetts and California. New York and other states should "Go Slow". We need to consider the real needs of PA recipients who volunteer to return to work. We need quality, safe child care. We need to increase the minimum benefit levels of the PA grant. We need to pay close attention to state regulations and close any loopholes by disallowing waivers.

Thank you. My staff has prepared three reports on these topics and I am also attaching them to my testimony. They are:

1. Women on Welfare: Fighting for the Right to Higher Education
   by Frances Taylor and Esperanza Martell (1987)
2. Position Paper: Childcare Eligibility
   by Esperanza Martell (June 1986)
3. Children In Need: The Child Care Needs of Homeless Families Living in Temporary Shelter in New York City
   by Karen Vanderbourg and Angela Christofides (June 1986)

EXECUTIVE SUMMARY

Hope or Hassle:

A Study of New York City's Welfare-to-Work Initiatives for AFDC Recipients

by
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I. BASIC INTRODUCTION TO THE PROGRAM

New York City's Employment Opportunities (EO) and Work Experience (WEP) Programs are part of a new generation of "welfare-to-work" initiatives designed to assist long-term welfare recipients develop the job-related skills they need to become employed and self-sufficient. Similar to the California Greater Avenues for Independence (GAIN) and the Massachusetts Employment and Training (ET) Choices programs, EO seeks to offer recipients a broad range of education and training components, along with skill assessment procedures to determine which combination of training elements and supportive services are most suited to the needs of individual recipients.

Under the EO Program, all federally-assisted welfare (Aid to Families with Dependent Children-ADC) recipients whose children are 6 or more years old, and who are employable adults (approximately 89,000 in number), are expected to enroll in training and to obtain whatever child care is needed for this purpose. If they are unable to do so, they are required to register with WEP, where they are assigned to "workfare" with government or non-profit agencies to "work off" the value of the benefits they receive at the minimum wage rate.

All employable non-federally assisted welfare (Home Relief-HR) recipients in New York City are also subject to WEP. For the last 6 months of 1986, 25,000 ADC recipients and 33,000 HR recipients were required to register at WEP, with about 5,000 ADC's and 10,000 HR recipients actually filling workfare positions at the end of the year.

As indicated in the body of this report, the EO program has relied largely on recipients' unassisted, self-initiated efforts to find training enrollments and adequate child care services, and has applied sanctions to an unusually large number of recipients deemed not to have complied with the program's work requirements.

New York City's experiences with the EO program are especially important because New York State and the U.S. Government are in the early stages of developing much broader welfare-to-work initiatives that have similar objectives, and contain many comparable elements. The results and impacts of the EO program can help to tell us whether the imposition of mandatory training and/or work requirements for all employable adult recipients of government assistance is a desirable goal, and whether and under what conditions the application of such requirements produces positive impacts on the employability of participants.

II. SUMMARY OF FINDINGS: WHY THIS ANALYSIS IS IMPORTANT

A practical question is presented by New York City's Employment Opportunities (EO) Program for welfare recipients:

> Is it a legitimate attempt to provide a wide range of employment and training assistance designed to promote job placements and self-sufficiency, as has been advertised? Or is it an empty promise that yields welfare "savings" not by improving the employment potential of recipients, but by temporarily forcing them off the welfare rolls in a punitive fashion, and with an unreasonable application of sanction procedures, or into unregulated training or ineffective work assignment (workfare) activities?

The answer to this question is important not only to NYC welfare recipients and administrators of the EO program. New York State, along with many other state and local jurisdictions and the federal government as well, have made the issue of welfare reform, and the adoption of welfare-to-work initiatives similar to the New York City program, one of their highest political priorities. The effectiveness of NYC's EO program, and the problems and issues that have been experienced in its operation, can be important indicators of the policy framework and operational procedures that should form the basis for the debate that is now taking place on the adoption of welfare-to-work policies at the state and federal levels.

If the EO program has been successful in promoting the effective training and job placements of long-term welfare recipients, then it deserves to be used as a model for similar statewide and national initiatives. If it has failed in these objectives, our governor and state legislature, and the U.S. Congress, need to look in other directions in their efforts to reduce welfare dependency and welfare costs.

Our conclusion, based on extensive on-site interviews and a comprehensive evaluation of information on program procedures and impacts, is that NYC's EO program regretably falls far short of being the legitimate training and welfare-to-work effort that it claims to be. Specifically, our 18 month analyses found that EO has failed to make the types of significant and effective interventions that are necessary if recipients are to be enabled to move towards long-term improvements in their capacity to become employed and self-sufficient. Evidence of this deficiency is found in the following individual conclusions from our analyses:

a. Inadequate Assessment, Orientation and Assignment Procedures:
   As a result of inadequate orientation, assessment, and assignment procedures, participants' training and supportive services needs are not being properly identified and met.

b. Ineffective Training:
Effective training options are not being provided to many participants because of an over-reliance on unmonitored, self-initiated programs, and a failure to provide adequate new resources and government approved training options of proven value.

✓ c. Overuse of Workfare:
The public work experience (workfare) element of the EO Program is substantially and inappropriately overused, resulting in largely punitive, rather than legitimate training outcomes.

✓ d. Overuse of Sanctions:
The sanction of terminating assistance is extensively overused, and is applied in an unduly harsh, frequently unlawful, manner largely as a method of providing fast (though illusory) welfare "savings."

e. Unmet Training Needs:
There have been sizable gains registered in the number of recipients participating in training, and smaller increases in the number placed in jobs. But these gains are overshadowed by the proportion of recipients whose training needs remain unmet, largely because of the lack of attention and resources to the basic education and job-skill needs of non-English speakers and others facing the most serious barriers to employment.

f. Academic Remediation Has Been Deficient:
Serious educational and basic academic skill deficiencies, although they are the primary reason for many recipients' unemployability, are not being adequately treated.

g. Insufficient Child Care:
Adequate child care and other supportive services are not being provided, although they are vital if recipients are to be enabled to participate in training, or to find jobs. Deficiencies in the supply of licensed care are forcing a wholesale reliance on informal and unregulated care, placing participants' children into situations of dubious quality and, even, safety.

h. Inadequate State Monitoring and Guidance:
The State of New York has not been providing adequate and effective monitoring and guidance to assure that the EO Program is operated pursuant to federal and state standards, and in a way that furthers its announced objectives.

There are a number of specific examples that can be cited providing graphic evidence of some of the most serious deficiencies that were identified. To cite but a few for the purposes of this summary:

- Massive abuse of the sanctioning process is shown by the fact that in one 6-month period alone, fully a third of the ADC recipients registering with the WEP (workfare) portion of the program (8,000 families) were sanctioned. Five thousand of these families lost all their cash assistance benefits despite assurances from program officials that children would not be adversely affected by the imposition of work requirements on adult parents. Most of these sanctions were imposed through the use of highly questionable, and sometimes plainly unlawful procedures. The extent of these illegalities can be judged by the fact that in 98% of the above described cases in which fair hearings were held, the sanctions were reversed or withdrawn. Due to defective notices, Spanish-speaking recipients were not even properly informed of their right to have their cases resolved through conciliation prior to the imposition of sanctions. (See Finding Four of the complete report.)

- Inadequacies in the provision and availability of child care services prevent a substantial proportion of recipients from participating in meaningful training. Seven of ten applicants unable to enroll in job development or training with the Department of Labor cite inadequate child care as the reason. Over-reliance on self-initiated child care arrangements, the failure of program officials to inform recipients about child care benefits guaranteed under the law, and a general insufficiency of licensed and approved facilities, all contribute to the general problem of child care inadequacy. (See Finding Seven.)

- The absence of any reasonable effort to provide recipients with program orientations explaining available service options and individualized assessments to help determine their needs, makes it virtually impossible for the EO Program to operate as a legitimate and effective vehicle for training. Too many recipients who cannot find or make training and child care arrangements without direction or guidance are left with the unproductive, and frequently inappropriate option of long-term, open-ended assignment to workfare activities, leaving the conditions (notably basic academic skill and other educational deficiencies) that are the primary causes of their unemployability unidentified and untreated. (See Finding One.)

- Claims that the program entails no additional costs are inaccurate and highly exaggerated because they do not take account of the massive additional child care expenses that are required, and because many of those whose benefits are terminated either quickly return to the welfare rolls, or require alternative assistance such as emergency shelter for the homeless (which can cost as much as $19,000 a year for a family of four). In addition, EO "savings" calculations do not take account of hidden costs that have been generated by the program, but not generally reported, including:

--expenses associated with sanctioning and hearing procedures, which are being increasingly resorted to because of the arbitrary and extensive application of sanctions, and

--the extensive costs of many of the new training programs (including WEP workfare assignments) that are of dubious value and often inappropriate to the needs of recipients.

These are only a few highlights of the types of deficiencies in the EO Program that seriously undermine the announced objective of improving the employability of welfare recipients. They, as well as many of the other issues and shortcomings we identified, are symptomatic of the one problem underlying the EO Program more generally--

> **. Given the existing level of resources allocated to the program, it is simply not possible to provide the types of training and supportive services to all employable welfare recipients that would improve their job potential in a meaningful way. The policy of covering the entire employable population on a mandatory basis pressures the EO Program to minimize assessment and orientations, to rely too extensively on self-initiated training, to fail to inform recipients about services, and to overemphasize workfare assignments at the expense of more effective (and initially costly) training options.**
>
> **Unless the EO Program either switches from a mandatory to a voluntary basis, otherwise limits participation to a manageable number of recipients who can be effectively served, or greatly expands its available resources, substantial improvements in the areas of deficiency we have identified are unlikely to take place as a practical matter. If the EO Program is to reach its potential, the first and most important steps must be to limit the number of participants sufficiently so that they can be provided with adequate and appropriate remediation, training and supportive services, and not relegated *en masse* to punitive workfare assignments (or put "on hold" awaiting such assignments) that do not contribute in any meaningful way to their employability .**

III. RECOMMENDATIONS: WHAT NEEDS TO BE DONE

Based on our analyses and findings, we have made the following recommendations designed to improve the operation of the EO Program in New York City, and to help inform the proposed adoption of more general welfare-to-work initiatives by New York State and by the federal government.

A. Recommendations for Action by New York City and the EO Program

Recommendation One: Assure Quality Services by Making the Program Voluntary

Maximize limited resources, and support clients' motivation and personal initiative by making EO voluntary. Re-focus the program toward achieving *positive* outcomes (employment) rather than negative ones (sanctions) among this group.

NYC's vision of improved self sufficiency for all recipients represents a worthy goal, but is totally unrealistic given current limitations of staff, employment opportunities, and support services needed to move such a population, *en masse*, toward this objective. Unless and until substantially increased resources are provided, we urge an emphasis on serving volunteers who will have the motivation to make best use of current resources, as a basic starting point for quality assurance. Initial targeting of specific groups risking long-term welfare (such as teen mothers, unskilled parents with more than one child, etc) may provide especially high pay-offs, if successful.

New York State's current voluntary pilot programs, as well as the experiences of already-operating programs such as Massachusetts' "ET," exemplify the principle and possible effectiveness of such targeted and voluntary approaches to self-sufficiency programming. ET, for example, has attracted the involvement of fully 25% of all Massachusetts AFDC caseheads without imposing a single sanction. By de-emphasizing sanctioning as a program rationale, voluntary efforts create a clear focus on enabling participation and achieving positive outcomes, an emphasis from which New York can profit.

Universal enrollment also subjects many high-risk clients to an inordinate likelihood of losing their benefits (being sanctioned) during the course of their participation. A quarter of those called in to WEP fail to report, reflecting inadequate notification procedures and clients' lack of understanding of participation requirements, as much as other factors (as evidenced by the City's indefensible reversal and withdrawal rates in fair hearings). In contrast with upstate counties, New York City's employment program savings for ADC clients come primarily from sanctions. While credited as "savings," such outcomes really represent *failures* at advancing the Program's long-term goals.

Whether a voluntary or mandatory model is used, the Program's size must be reduced by the adoption of appropriate goals and a phased-in approach focusing on smaller groups. A smaller-scale program would assure that adequate intake, orientation and assessment for all program participants becomes an achievable goal. Today's universal participation requirement, in contrast, results in intake levels ranging from 1,000 to 2,500 ADC recipients weekly at the Work Experience Program (WEP), virtually precluding in-depth assessments, adequate orientations to available services, and individualized employment planning for this high-risk, multiple-deficit population.

Recommendation Two: Upgrade Quality by Assuring Fair Individualized Assessments and Uniform, Comprehensive Program Orientations for all Participants

Reductions in scale will allow the Program to make numerous essential improvements. First, EO must budget at least two to three hours for assessing each client's needs and developing corresponding individualized plans. Such a requirement would coincide with expert opinion among employment and training contractors (including some planning programs under the state's "CEOSC" intensive pilot programs for volunteers), describing comprehensive assessments as requiring anywhere from two to three hours to several full work days.

Second, the program will be enabled (and should be required) to provide all incoming participants with small group discussions and presentations to assist clients' genuine understanding of program options and requirements. EO, as well as other major client contact points such as WEP intake and WEP's participant services unit (serving currently assigned recipients), should develop uniform and clear descriptive materials on available work and training programs (WEP, EO, TEAP, etc.), distributing these to all clients at least annually. Waiting room videos can play a useful part in group discussions, helping to explain clients' rights and responsibilities in English and Spanish.

In order to assure the quality of client assessments and employment planning, we recommend that the following detailed guidelines be adopted. The staff's capacity to perform such duties and make appropriate referrals must be upgraded through a specialized and concerted program of on-going training. Training program opportunities must be computerized, so that staff can make the most timely and appropriate referrals.

Also, the employment assessment process must be systematized. At a minimum, assessments must be *documented to include* the following in order to identify the employment programs, services or activities needed to move individuals into unsubsidized employment: (1) client needs, interests and desires; (2) literacy evaluation; (3) education and training experience; (4) English language communication skills; (5) job history and current job readiness; (6) child care, transportation, and other (including family-related) needs for supportive services.

In order to reap the benefits of smaller scale and individualization, assessment procedures cannot be cursory, and must explore the above matters creatively and in some detail. Paper and pencil tests, for example, should not be used to the exclusion of other techniques but in conjunction with them (for example, skills-testing, group exercises to explore interpersonal aptitudes, etc.) Each participant should be provided in writing with a description of different program options and an itemized listing of alternative job training services available under the program. Assessments should culminate in a written training contract between the client and the agency. Contracts should be written in clear and understandable language, ***discussed*** rather than simply signed without explanation, and should include *at least* the following **information:**

(a) A description of the services, including allowance levels and supportive services such as child care and transportation to be provided participants, and specifying those services agreed upon by the Department. Such supportive services shall be provided as are necessary to enable participants to complete the training and employment activities specified in the written contracts. Such services shall be paid for by the social services district if public funds are authorized for such and shall include, but not be limited to child care, transportation, tuition, books, fees, clothing, lunch and equipment. *Where out-of-pocket payments for receipt of such services are necessary, they should be advanced to the participant rather than reimbursed after-the-fact through channels that require participants' "up-fronting" expenses for extended periods of time.* The City must develop a mechanism to use its own funding to do so. If necessary a revolving City Fund could be established for that purpose, with the City borrowing against its own expected Title IV-A reimbursements.

(b) A description of the rights, duties, and responsibilities of participants, including the supportive services that are available and the procedures to be followed to challenge determinations regarding content of the training plan, work and training assignments made pursuant to the plan, and/or compliance with program requirements; a list of the exemptions from required participation and the consequences of a refusal to participate in program components.

(c) A complete description of the individualized plan developed with and agreed to by the participant, specifying the activity or sequence of activities necessary to prepare the participant for unsubsidized employment and the supportive services necessary for the participant to fulfill such activities. Participants should not be required to sign the contract on the day of the assessment, but rather should be permitted two weeks to consider and/or renegotiate and sign the contract.

As a final guarantee of basic quality services, stronger mediation procedures need to be adopted. Whenever the participant and agency are unable to reach an agreement on a contract, or if a participant objects to its contents as inappropriate, independent mediation by an impartial third party with employment training and career planning experience should be provided. The results of this review shall be binding upon both parties, and shall be incorporated into the training plan for the participant. Mediation shall not be undertaken by a party having any financial or other interest or connection in the results of an assessment or in the work or activities of the local social services district. Use of mediation procedures shall not waive recipients' rights to Fair Hearings.

If for any reason, including lack of available resources, the agency is unable to place a participant in the type of activity prescribed in the written contract, or to provide the support services necessary, the participant shall be assigned to a temporary holding status until such activity is available, and shall not be required to participate in other training or employment activity in the interim which does not conform with the client's needs, as determined in the assessment.

Employment assessment and planning may be performed directly by the agency or be contracted with public or private agencies with a demonstrated effectiveness at working with this clientele.

Recommendation Three: Expand Appropriate Education and Training Opportunities.

Assessments must be followed up by training and education advocacy on each client's behalf, to assure access both to programs and supportive services needed for effective participation. The range of training options requires expansion to include both non-vocational college enrollments and additional remedial-vocational offerings suitable for those with multiple barriers to employment. Implement computerized facilities for monitoring and following up on training to ensure more appropriate referrals.

Our study reinforces earlier inquiries which point to a dramatic shortage of training programs appropriate to the majority of public assistance clients with multiple barriers to employment. Interface, a New York City research group, estimates that there are 56,000 young adults in New York City (including 38,000 on public assistance) needing intensive remediation and training, compared with only 10,000 appropriate training slots.

> (a) In order to capitalize on improved assessment procedures, workers performing assessments should be explicitly trained to provide training and education advocacy for each client they appraise. This would include helping clients to secure appropriate training or educational positions, working to assure that clients have required work allowances, and interpreting options to clients. Advocates' caseloads should be small, no more than 20 at a time. Specialized liaison personnel and computerized follow-up systems must be developed in order to resolve problems and coordinate efforts with educational and training providers.
>
> (b) The agency must take an active role in assuring appropriate educational programs, including Board of Education basic education and English-as-a-Second-Language opportunities, for all clients in need. Regional and periodic shortages of such services need to be resolved with the providers concerned. Specific guidelines for training, education, and WEP approval must assure that no plan may be approved that does not provide clients with basic education and English-as-a-Second-Language program options when appropriate. These should be provided prior to, or in conjunction with, training or work experience. In addition, the agency should provide basic training allowances to those engaged in non-vocational 2- or 4-year college programs--clearly one of the most effective long-term employment strategies available.

(c) For recipients facing multiple barriers to employment, greater investments in a more balanced range of training options are needed. Placements combining intensive supervision with classroom and vocational training deserve further expansion in order to give these clients maximum opportunities for transitioning off of public assistance. Another useful option is to "enhance" the best of today's work experience assignments by adding on educational or remedial components. (See Recommendation Four, below.)

(d) Inadequate and non-computerized training approval, referral, and monitoring capacities demand urgent upgrading in order to ensure appropriate and productive referrals and safeguard against abuses of both clients and public (training) monies they command. Whenever possible, training programs should be held fiscally responsible for clients' training outcomes. Given better monitoring, only contractors proven effective at working with HRA's clientele should be retained.

Recommendation Four: Focus and Enhance the Work Experience Program (WEP) to Achieve Maximum Gains

"Work Experience" training should be restricted to current enrollment levels, limited to 6 months per client for each two-year period, and reserved for those without recent job histories and whose employment plans specifically recommend such a placement. Basic Education and English-as-a-Second Language components should be incorporated into WEP assignments, and WEP supervision improved.

Given the serious problems documented for WEP, especially its high rates of sanctioning and fair hearing reversals and withdrawals, current ADC assignment levels of approximately 5,000 should *not* be increased, until numerous safeguards are applied. Assignments should address needs identified in the employment plan. One group that might be suitable includes those employed less than 13 weeks within the preceding year, for whom the benefits of a worksite experience might be greater. Another group might consist of those assigned to a broader program including a WEP component.

In order to minimize the negative effects of this program, it should be voluntary, and marketed to clients to achieve participation. This will reduce pressures toward inappropriate and less skilled assignments generated under EO.

Many current WEP assignments could also be immeasurably enhanced by adding on educational or classroom components. HRA should attempt a coordinated effort with the Board of Education to explore accessing State Education Department "EPE" funds for this purpose. EPE's open-ended funding would allow basic education to be linked with WEP in a major way.

WEP training can also benefit from improved supervision. This should be intensified and offered on a one-to-ten basis. HRA employment specialists should provide group training to WEP program supervisors on a monthly basis to strengthen supervision and training opportunities offered under WEP.

Improved procedures are also needed to publicize new training and educational opportunities for those already in assignments. Rather than relying on worksite supervisors to relay this information--a possible conflict-of-interest situation--monthly group orientations for this purpose should also be provided for WEP assignees either at a central office or at worksites.

Recommendation Five: Expand Employment Options and Related Support Services

Implement strategies to increase hirings by WEP contract agencies as well as by all other agencies with City contracts. The City should also implement or advocate for other job creation opportunities, including the current proposals authorizing the use of NY's "TEAP" on-the-job training funds in non-profit agencies. Additional funds must be earmarked for assuring adequate support services, including transitional child care and medicaid, to help make low-paying jobs a more viable route off of assistance.

An obvious limitation on program success has been the limited availability and characteristics of current job openings. As one remedy, HRA should develop hiring goals for all WEP contract agencies, requiring that no less than 60% of such agencies' unskilled job openings be filled from the WEP pool. Lower targets should also be established for clerical openings. Especially for agencies with other City contracts, such requirements should be fiscally enforced.

Commissioner Grinker's recent proposals to require new or increased hirings of public assistance recipients by City contractors are also promising. We look forward to further details on such efforts, and urge that diverse *types* of jobs accessible to a *range* of clients at different skill levels be included.

Along with other districts around the state, the City should also push for the implementation of proposals that could expand job training opportunities. The State's current bill authorizing the use of TEAP on-the-job training funds in non-profit agencies is a case in point. TEAP's expansion this way would enable placements into many settings offering built-in channels for close coordination and monitoring of training, an ideal opportunity.

Since many or even most jobs available to this population pay low wages, a final approach must be to assure transitional and supportive services such as Medicaid extensions and child care assistance that reinforce clients' job-finding efforts by making such employment "work." Stepped-up publicity on the State's Medicaid extension provisions for working ex-recipients, for example, is needed to reach those who fail to notify welfare workers of their employment. Regarding child care, observers anticipate as much as $9.5 million in new State funding for low income day care this year. The social services department should push for earmarking a good portion of NYC's share of this money as a transitional child care funding stream geared to enhance EO's effectiveness.

Recommendation Six: Assure Sufficient Quality Child Care

Implement resource and referral services and expand the child care voucher program to promote access to both licensed child care and the enriched funding already available for this for recipients in education or training. For employed recipients, supplement current Title IV-A allowances to enable access to full time licensed care, up to $100 weekly as is now available for those in education or training. On the state level, the City and other localities should push for the adoption of increased maximum allowances for part-time care for employed recipients, to $160 monthly. Adopt minimal quality standards for the provision of care. Assure transitional care for those losing assistance due to earnings.

Provisions for child care are at the very center of a workable program aimed at mothers. EO's inattention to child care needs--its expectation that recipients locate care on their own, in a short time--stands out as a glaring shortcoming. Mothers cannot be expected to give their full attention to employment and training activities while their children are left unsupervised or poorly supervised in frequently dangerous neighborhoods. The current lack of resource and referral assistance forces an over-reliance on often inappropriate and unreliable arrangements.

EO's inattention to resource and referral needs also undermines access to the supplemental funding NYC makes available for licensed child care. Recipients in education or training who locate such care, whether in center-based or registered family care settings, are eligible for up to $100 weekly per child, but unlikely to locate such care due to long waiting lists for center care and lack of information on registered family providers. Employed recipients, on the other hand, are altogether ineligible for such supplements. As a result, most recipients are limited to informal babysitting, and with it to the lower reimbursement levels stipulated under Title IV-A.

To effectively assure client access to quality child care and supplemental funding, independent information and referral systems must be developed. Community-based information, resource and referral services could serve as clearing houses for center-based child care and family day care homes, and would enlist the confidence of consumers and providers. Staffed by professionals committed to the well-being of children and sensitive to the concerns of parents, these services will assist parents in locating suitable child care. This service should inform participants of various types of care, providing them with the pro's and con's of each. After selecting the type of care that clients judge to be best for their children, clients would then be sent to appropriate providers to observe and interview prospective caretakers. In this manner, clients would make child care choices that allowed them to feel comfortable, enabling them to focus on training and employment activities. As a liaison between providers, clients, and HRA, these agencies will have an informal function as monitors of the quality of care that children receive.

The maximum allowance levels also deserve revision where it is in the City's power to do so. Employed recipients and all clients using informal care are currently restricted to Title IV-A ceilings of only $160 monthly for full-time care. Even if clients were informed of such entitlements, these ceilings would still consign most children to inappropriate and unstable arrangements--hardly a help to completing training programs. Several improvements in reimbursement levels are needed.

New York's current limit of $80 monthly for part-time care, first, is not federally imposed and can be raised by the state to $160. The City and all other localities should push for the adoption of this change. Additionally, the City should supplement the current IV-A allowances to enable access to full-time licensed care for all employed recipients, as it now does for those in education or training. Both strategies, by providing more funding, can be expected to help create more day care slots in the long run.

Not only the levels, but also the method of funding for day care has deterred full utilization. Title IV-A child care allowances for public assistance recipients are traditionally disbursed in the form of income disregards and after-the-fact reimbursements. This causes clients to pay for child care out-of-pocket or rely on providers extending them credit. Neither clients nor providers (most often babysitters in this system) can afford extra out of pocket expenses. Their budgets simply do not allow for extra expenditures. Although the City is currently attempting to begin expediting child care and other training allowances (a positive step), a further remedy also deserves consideration. We recommend expanding the City's fledgling voucher system for child care, which currently includes very few centers and virtually no family care programs. At the point of enrollment in EO, clients would be given a letter stating their entitlement to a voucher. They would then take this voucher to the information and referral agency to locate care. The voucher system would allow the blending of funds from Title IV, Title XX, and other state and local monies to create a more realistic funding stream. Such a system would encourage a coordinated and comprehensive approach to providing basic support services, fundamental to any realistic work and welfare program.

To encourage welfare recipients to seek employment, the City should also seek to assure one year of transitional child care, on a sliding fee scale, for all persons earning up to 100% of the state median income who lose eligibility for public assistance due to earnings. This can be accomplished by earmarking a substantial part of the state-proposed increases in low income day care funds for transitional care.

Our final child care recommendation refers to EO's failure to set criteria for judging the adequacy of care. In order to assure that children are safely and appropriately cared for, HRA should adopt the following minimal quality standards:

(a) child care must be provided by a person over the age of 16;

(b) children aged 11 and 12 must have supervision by an adult in appropriate physical proximity if unattended for two or more hours daily;

(c) similarly, 9- and 10-year-olds must have supervision if unattended for one or more hours daily;

(d) a child aged 8 or under, or a child of any age who is emotionally, mentally, or physically disabled, requires supervision if unattended for any length of time.

Recommendation Seven: Reduce Sanctions and Their Hidden Costs

Improve access to informal conference (mediation) procedures by conducting a systematic review and correction of defects in current due process notices. (The letter sent to alleged WEP "no-shows" deserves urgent attention.) Reduce the incidence of WEP sanctioning to 5%, corresponding to the rate of City affirmances in WEP-related fair hearings. Establish state and local compliance plans for improving the City's fair hearing performance to levels more comparable to those achieved elsewhere in the state.

There is strong evidence that the Work Experience Program's (WEP) major current outcome is to "churn" the welfare rolls by inappropriately "sanctioning" or removing from the rolls, heads of households and their families.

As noted above under our other recommendations, clients face an inordinate possibility of losing their benefits during the course of their participation in WEP. Three sanctions have been imposed for every ten ADC intakes at WEP, to date. A quarter of those called in to WEP fail to report, reflecting the inadequacy of the notification process and clients' lack of understanding of participation requirements, as much as other factors. (See Finding Four.) Over 98 percent of WEP issues heard in Fair Hearings result in HRA's withdrawal or reversal. Current procedures entail many hidden costs. Sanctioned recipients add to the numbers of the homeless. Reduced income results in poor nutrition, family stress, and increased likelihood of child neglect. Whatever the short-term savings by churning, the long-term human costs of current sanctioning policies are unsustainable.

The City should reverse its implicit policy of using WEP as an opportunity for churning, and seek to reduce total sanction issuances to about 5% of WEP registrants, corresponding to the percentage of City affirmances in WEP-related Fair Hearings. *The dynamics whereby case closings are the "easiest way out" for over-burdened workers must be altered through the adoption of procedural safeguards that will insure due process. Sanctions must be preceded by evidence that the prior notice to the recipient has been received, as shown by return receipt of a certified or registered letter. All notices of intent to discontinue or reduce benefits must be reviewed for compliance with the following standards, and delivered in Spanish as well as in English.* Notices must (1) explain reasons for noncompliance; (2) define methods and steps for returning to compliance; (3) identify legal services or other organizations to provide assistance; and (4) provide the opportunity for the recipient to propose an alternative method or series of steps to return to compliance (including concrete details on how to obtain a conference).

The State Department of Social Services, additionally, must discharge its statutory role of monitoring and working to correct the City's use of work-related provisions as an opportunity for churning. This should include a joint State-City program of monitoring New York City's compliance with procedural requirements laid down under *Allan vs. Blum*, and result in a compliance plan setting out specific State and City activities for improving sanctioning, to which the State and City would agree. As part of its statutory responsibility, the State DSS should remove the City's right to sanction pending implementation of such a plan to reduce sanctions to more appropriate limits. Alternatively, the State can use its power to fine the City for inappropriate program savings derived from sanctions by reducing State reimbursements to the City by the amount of such inappropriate savings. The latter could be calculated through a simple formula multiplying the rate of City reversals or withdrawals in Fair Hearings by the total dollar amount of all sanctions.

B. Recommendations for State Action

For the State of New York to fulfill its responsibilities to monitor the operation and impact of the EO program, support its effective performance, and assure compliance with critical federal and state statutory and regulatory standards, the following steps need to be taken:

Recommendation One: Assuring Compliance with Federal Due Process and Fair Hearing Mandates

More effective procedures need to be adopted to monitor and assure compliance with federal due process and fair hearing standards applicable to the imposition of sanctions and/or the termination of benefits. Among the specific policies and protections that need to be given special attention are those relating to

- the non-termination of benefits to children;
- the right to an opportunity for both informal and formal conciliation of disputes prior to the imposition of sanctions, and in addition to fair hearing protections; and
- the provision of clear, timely, and adequate notice and explanation to all recipients of the nature of their rights to conciliation and fair hearings--special efforts need to be made in that regard for Spanish-speaking recipients who currently are not provided with complete translations of the English version of conciliation and hearing notices. (See New York City's form M-3C-B).

Recommendation Two: Establishing Limits on Sanctions

Standards should be established by DSS regulation regarding the application of sanctions that would:

- prohibit termination of the share of a family's benefit that is earmarked for children in cases of an adult's refusal or inability to perform work requirements;

- prohibit the use of eligibility-based case closings (as opposed to benefit reductions) to deal with a refusal or inability to perform work requirements;

- penalize or otherwise restrict the overuse of sanctions by such methods as withdrawing state matching funds for all cases where sanction orders are reversed or withdrawn by consent in the fair hearing process. (See local Recommendation Seven for one methodology for accomplishing this.)

Recommendation Three: Upgrading Standards for Approving Participation in Private Training Programs

State Education Department licensing standards for the approval of private training agencies should be upgraded and linked with a program of concrete and periodic monitoring to prevent the proliferation of approved programs of dubious value in promoting the employability of recipients. If self-initiated training approaches continue to be emphasized, something must be done to assure that the training options made available to clients in the private sector are meaningful ones.

Recommendation Four: Assuring Adequate and Effective Training Policies and Approaches

More effective monitoring and standards need to be provided for many of the practices followed under the EO program that undermine the objective of improving the employment potential of recipients. For example:

- limits should be placed on the number of recipients covered by work requirements either by making the program voluntary, or by limiting participation rates to the number for whom adequate resources and effective training options are available;

- Academic remediation should be made a priority service for every recipient tested to have basic literacy deficiencies (in math or English); such recipients should not be required to participate in any other training component until these basic skill needs have been met;

- No recipient should be required to participate in any other program component (such as work experience) while waiting for an available opening in the training to which they have been recommended but cannot attend because adequate resources are not available;

- No recipient should be assigned to any program component without a complete, adequate, and independent assessment of their training needs, and the formulation of a written training plan and contract setting out a mutually agreed upon framework and schedule for training activities. *Unless narrowly defined and closely regulated, these services are prone to superficial treatment by districts.*

- Every recipient must be provided at the outset with a full and easily understood explanation of the EO program, each of its training components, and all of the various rights, protections and standards that govern participation.

Recommendation Five: Assuring Adequate Child Care for Welfare Recipients

In view of the importance of quality child care to the preparation of poor children for school success, and the importance of stable, responsible care to the working parent's ability to pursue education, training and work, we recommend the State take the following actions.

"Adequate child care" must be redefined within State regulations 18NYCRR parts 385 and 392.10(h) relating to employment-related requirements, programs and services. To promote the employability and welfare of both the current and future generations, State regulations must:

- Define adequate day care arrangements, for the purposes of deeming a caretaker unemployable solely due to lack of "adequate child care," as a certified or licensed child care provider reasonably accessible to the recipient's home.

- Require Social Service Districts to implement the following additional strategies in assisting clients to secure adequate child care:

    - Provide district subsidies to enable the option of certified or licensed care for welfare recipients in training, education, or work, up to the full cost of care.

    - Develop child care resource and referral systems for all employable recipients to provide direct assistance in locating quality child care; provide technical assistance in securing financing; provide technical assistance to providers; work to augment the supply of licensed care.

    - Provide orientation sessions for all participants in welfare-to-employment activities, on child care resources, financing, and how to select quality care.

    - Identify or develop a State reimbursement formula for districts to cover the full costs of certified care.

    - Amend State regulations to permit districts to use up to the full Title IVA child care disregard ($160 monthly) for part time care.

    - Expand State funding for transitional child care so as to assure at least one year of continued child care, on a sliding fee scale basis, for any recipient leaving welfare to work. Such payments must, again, provide for certified care as a viable option.

C. Recommendations for Federal Reform

SYA's study of the Employment Opportunities Program is indeed a study of Welfare-to-Work programs gone awry. Given the current national rush to rescope the AFDC program to one based upon a "reciprocal obligation" approach, it is crucial that any national legislation incorporate a series of safeguards which will maximize the benefits while restricting the negative impacts of such an approach.

Our recommendations for federal legislation, derived as they are from the New York City and State experience, are not intended to be comprehensive. We recognize many important areas of national dialogue that are not addressed.

Recommendation One: Limiting Mandates.

Federal legislation should encourage the development of programs focused on volunteers. By definition, reliance upon across-the-board mandates applied to entire caseloads undermines the ability to target resources to those most interested in taking advantage of additional educational and training opportunities.

Expectations of universal participation also stretch resources so thinly that few benefit, and subject many innocent families (including their children) to an inappropriate denial of benefits. Under these circumstances (New York City is a case in point) the quality of all aspects of the program suffers, with individualized assessments and employability plans one of the first casualties.

If any aspect of the program is to be mandatory, the mandates and State discretion to develop mandates for involvement in training and education as well as CWEP should be restricted by Federal legislation, as it currently is, to the parents of children aged six or older. To do otherwise would be to fly in the face of our own and others' clear findings on the inadequate supply and reimbursement of quality child care for those required to participate in these programs.

Recommendation Two: Limitations on Work Experience.

Our study discloses significant dangers in the unrestricted use of CWEP assignments for recipients of AFDC. Our own and other reviews by MDRC clearly show that CWEP assignments provide little skills-development, and suggest that these are most useful when targeted to those who have not been in the labor force in the recent past, and when they are of limited duration. Our research also lends clear support to previous studies documenting the large proportion of the welfare population needing basic education and remedial and basic English skills in order to become employable. Other types of training, rather than CWEP, must be

the core elements of any effective approach to self sufficiency for such families.

Federal reform legislation must, therefore, reduce the current open-ended authorization of community work experience programs, and instead require that assignments be limited to no more than one six month period per recipient. CWEP should be further restricted to those employed less than 13 weeks during the past year, for whom the benefits of a short-term work experience assignment may be meaningful. Further, CWEP assignments must be limited to those whose children are over six, and scheduled to coincide with school hours. Federal language should further encourage localities to link all CWEP assignments, where indicated, with basic skills, English-as-a-Second Language, and other training pursuant to an employability plan, by applying the JTPA standards for work experience programs to CWEP assignments.

Recommendation Three: Strengthen Protections.

Because we believe in voluntary programs, we oppose the imposition of sanctions and believe them to be counter-productive. New York State's own evaluation of its CWEP programs (1986) reinforces this view. Sanctioned clients were found *most* likely to return to public assistance, and employed clients the *least* likely.

If federal policies do not eliminate mandates, Federal language must, therefore, be added to withdraw federal reimbursement for CWEP programs in any locality imposing sanctions on over 5% of recipients called in to WEP, unless districts can show that such sanction rates are sustained by 75% of the fair hearings held by the respective state or locality.

Sanctions must be restricted to heads of households (in order to cease penalizing children), and to a one month period. Each recipient must be given an opportunity for an immediate conciliation conference with an independent reviewer pending notification of a sanction, as well as opportunities for a full Fair Hearing. Benefits must be continued during the pendence of such conciliation conference. Recipients must be enabled to have their sanctions suspended by coming back into compliance at any time.

Recommendation Four: Promoting Educational Services Through Remedial Education and English as a Second Language Training.

Federal Legislation must require that individual assessments include basic skills and English language skills tests. States must offer any person with reading, math, and English skills below the 9th grade level an opportunity to participate in appropriate education programs before an assignment to any other training component is made. CWEP participation must not be required of any client whose individualized plan cannot be met due to waiting lists for an appropriate education and training program.

Because employment opportunities which move families towards full independence of the welfare system are increasingly restricted to those with post-high school education, and in some areas are most available to those completing a four-year college curriculum, national restrictions on reimbursement for AFDC payments to those in four year colleges should be eliminated. Child care and transportation allowances should be made available for all AFDC recipients involved in a two- or four-year college program leading to a viable career.

Recommendation Five: Assuring Adequate, Quality Child Care and Transitional Medical Insurance.

Our study documents very real problems of child care for recipients whose children are over six. Lack of child care was found to be the most prominent issue preventing women whose children were over six from engaging in education and training.

Among the problems found to contribute to these child care shortages were: inadequacy of Title IV-A allowances to pay for virtually any licensed or certified child care; inadequate availability of licensed child care overall; lack of adequate information provided to recipients on the availability of Title IV-A allowances; and inadequate disclosure of New York City's policy to offer additional funds up to $100 per week to pay for licensed care.

A number of actions are required in order to address these problems, which are now endemic to the whole welfare-employment/child care area.

Funding Changes to Assure Access to Quality Services

Any Federal legislation should require that before any participation in education and employment-related activities, certified or licensed care must be made available close to the AFDC recipient's home or work site. Allowances for full time infant and child care are sorely out-dated, and must be raised to reflect the cost of licensed care in each region; at a minimum, ceilings must be increased to $250 a month for children aged two or over, and to $300 per month for infant care. States must also be encouraged to use Title XX and other child care funds to supplement part-day early childhood development programs such as Head Start, by offering federal planning grants and child transportation funds towards that end.

In order to protect welfare recipients' rights to subsidized licensed child care, Federal child care reimbursements should be restricted to use in licensed settings or in settings of the recipient's choice containing two or fewer children.

Encourage Vouchers, Contracted Slots, and Other Program Innovations.

Child care provisions should permit States to contract for child care slots or to promote the supply of slots through the use of certificates or vouchers for service, in lieu of the current child care disregard. Such a system would assure greater stability both for child care centers and for their clients.

Ensure Adequate Information on Child Care Rights.

Federal legislation should mandate that any voluntary or mandated program provide participants with thorough orientations on their child care rights and responsibilities. These must include no less than a ten minute description and discussion of rights to child care, by an agency knowledgeable about the financing and availability of such services. Legislation should encourage the implementation of child care information and referral services to assist clients in locating quality care.

Assuring Transitional Child Care and Medical Coverage to Encourage Self-Sufficiency Efforts

Our study lends suggestive evidence on the importance of transitional child care and other support services for those leaving welfare for mostly low-paying jobs. The current job market clearly offers welfare recipients few opportunities to remain independent of cash grants unless both child care and medical insurance are available. A viable national transitional program for both child care and medical care must provide full subsidies until the family is over the poverty line, and then should make subsidized care available on a sliding fee basis according to the State's Title XX schedule.

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CHILDCARE ELIGIBILITY

An analysis of the childcare eligibility guidelines of the State Department of Social Services and how they are implemented by the Agency for Child Development must consider how well they respond to the social, cultural, psychological and economic needs of New York City's poor and working class families and their children. If the guidelines do not allow access to or maintain day care for those families who need it most they ought be revised to make the service of greater value to the City.

We are in a period in which many of the gains made in the 60's and 70's by the working class, women, and minorities are being rolled back. They are losing ground not only economically but also politically and socially. With growing numbers of women needing to be in the work force for economic reasons, they are finding that their problems with employment, salaries and support services threaten to force them back into the home. Publicly-funded child care, a necessity for women with children who need to work and meet their children's needs for regular quality care, is being cut back and/or restricted by government funding cuts and restrictive eligibility guidelines so that women's employment opportunities are curtailed.

In the early 70's publicly funded day care began to be seen as critical to the development of poor and working class families and their children. Even though on the local and state levels in the last few years we have maintained support for childcare, the overall attitude is changing. Day care is increasingly seen by many in power as the mother's responsibility, not that of government, and as a service which should be available privately. Many privately funded day care centers, though, charge very high fees and are therefore not available to single parents, to families of low to moderate income, or to most women just joining the labor market.

The psychological tension this creates for these women is devastating. On the one hand they need and want to work or to attend school, and they are still encouraged by the society to have these goals. On the other hand, the necessary child care supports are either made difficult to obtain or are denied.

The facts are clear. Many more women are sole providers now than in the past. Most two parent families need a second income. Women are working and will continue to work. They need quality affordable child care if their children are to be protected and their psychological stress reduced. Publicly-funded day care should be broadly available as a right.

Unfortunately, ACD cannot meet this need. It does not receive sufficient funds from any level of government, it is constricted by state regulations and it has not been successful in its efforts to relax these constraints. We need to review ACD history and its problems with state eligibility criteria to understand why this is the case.

ACD was created by a Mayoral executive order in July, 1971, to consolidate several pre-school programs under one city administrative agency and to develop, clarify and enforce eligibility requirements and program standards. It was the first municipal program of its type in the United States and still remains the largest.

Today ACD, under the City Human Resources Administration, administers all publicly funded day care and Head Start programs in New York City in accordance with existing federal, state and city statutory regulations. Its mandate is to provide quality day care and child development opportunities through a comprehensive network of services, which includes group and family day care for both pre-school and school-aged children between the ages of two months and twelve years of age. All programs are supposed to be designed to promote the emotional, physical and social and intellectual growth of children and their families.

Families are eligible for day care services if they have a parent who is working at least twenty hours per week, if the parent is looking for work, enrolled in an approved vocational or educational program, is ill or incapacitated, or has a child with special needs. Services are required under state law for recipients of Aid to Families with Dependent Children who are working, in an approved training program, or looking for work, and for those under twenty-one years of age who are completing their high school education. Services are also mandated, without regard to income, when part of a plan of protective services for children. Most families must also meet financial eligibility standards set by the state and pay fees at a sliding scale if their income exceeds the prescribed minimum. For full time care 8:00 a.m. to 6:00 p.m. the fee amount varies according to income level ranging from $2-85 per week for one child and more for two children.

ACD through its 385 contracted group and family day care programs serves 70,000 children a year. This number reflects its very high turnover rate. The actual ACD annual budget provides service for only 42,000 children at one time. ACD's own estimate is that there are more than 300,000 children in families socially and financially eligible for day care in N.Y.C. This means that at any given point in time at least 258,000 eligible children are unable to receive services. With this eligible population expected to increase, ACD, with its current level of funding, will continue to be unable to meet the needs of a substantial and growing number of mothers entering the labor market, many of whom are single heads of households.

The City has experienced severe federal cuts in Title XX social service funding. Local tax levy funds have been used to keep most daycare service intact, but current levels of service do not fill existing need and these needs wil increase, even as money disappears. If money is not going to come from Washington, we will have to provide State and/or City funds or leverage money from the private sector, or we will lose critically important services.

Meanwhile, it is also the case that daycare fees, eligibility guidelines and recertification procedures have served to limit or interrupt access of children and families to publicly funded day care. They discriminate against low-income working families, those who are looking for work and those pursuing educational opportunities. It is important to note that many of these discriminatory guidelines are mandated by SDSS. ACD has made recommendations to the State for changes to little or no avail.

FEE SCALES

Relative to the average income of women who need childcare in New York City fees for day care are high. The ACD scale is based on gross income not on net income. Parents are penalized for overtime work when income from such work throws them into another fee bracket. The fact that their overtime pay is not their regular scale is not taken into consideration, even if it is received just once or twice per year.

Many families have more than one child in need of child care services. Even though fees for a 2nd child have been reduced and there is no additional fee for a 3rd child, having to pay the additional fee for a second child will make it financially impossible for some families to keep older children in after school programs. These families may decide to cut overhead by leaving older children home alone, reinforcing the "latchkey" syndrome which can be both dangerous and psychologically damaging.

LOOKING FOR WORK

Parents are given six months to find employment. This does not take into consideration the difficulty of locating work at a time when unemployment is high and jobs at every level are scarce, especially for women. ACD cannot take into consideration temporary jobs that are secured during the looking for work period, and may not have adequate staff at centers to refer parents who need help to employment and/or welfare agencies.

EDUCATIONAL OPPORTUNITY

As a result of SDSS regulations ACD is only able to recognize technical and two year vocationally oriented college programs. Parents in four year colleges or in graduate programs are not eligible to receive services for their children, even if they are on welfare. The SDSS requirement that parents participate in vocational training programs that will "greatly enhance an individual's opportunity to secure unsubsidized employment," impacts on both ACD and the City's welfare departments and pushes parents into programs that prepare them for jobs that are short term, traditional, and poorly-salaried (typing, beauty, word processing etc.). The SDSS regulations are not conducive even to community college degree programs. They apparently do not take into consideration government statistics that a college education increases an individual's chance for long-term, higher paying employment. Even though ACD has supported a change in the regulations to allow 4 year college students to be eligible for daycare, no policy change has occurred.

RECERTIFICATION

Current New York State Department of Social Services regulations require eligibility recertification every six months. Due to the severe fluctuations in the job market for women with poor skills and the lack of support services for these women, this recertification process can lead to a form of revolving door child care. This process does not take into consideration the child's development and/or the psychological well being of the parent, creating unnecessary stress and conflict for the whole family.

ACD's mandate, as stated earlier, is to provide quality day care and promote the emotional, physical, social, intellectual growth of children and their families. How true can this be when eligibility in most cases rests on family income and the work status of the parent and when an increase in income or a change in work status can force removal of a child from his or her center even if the family is paying the full fee? Children are often discharged from their programs with very little warning (perhaps no more than 15 days) and without consideration of the effect that leaving the program will have on the child or the family.

The State regulations imposed on ACD can thus clearly hinder the implementation of ACD's own mandate. Children's needs do not come first. In some cases status changes can happen "overnight" and throw a family into crisis. Parents lose jobs, drop out of educational programs and are forced back on welfare. For both economic and psychological reasons they may not be able to get their lives back together in time to justify continuing daycare. Children lose stability and consistency at a point when they are just beginning to understand the world around them in relation to their primary care giver. For many children the day care environment serves as an alternative to the family, and their seven to nine hours at the day care center should be considered a part of their extended family reality. To depive these young children of these programs and their teachers can confuse them emotionally, interrupt their development and disrupt their families' lives.

CASES

Just imagine this scenario. A year ago Stacy came into day care with very low verbal and social skills. In the absence of a social worker, the teacher and the director identified her problem as emotional, related to the mother's overdependence on her child. The center staff helped the mother, who was on welfare, to get into a two year college training program. As the mother got more involved with her education, Stacy's behavior began to improve. She became more verbal and socially involved with the other children.

Her mother finished the two year program and took the opportunity to continue her education in a 4 year college. A few months later she was called for a biennial ACD recertification. She was asked to bring documentation that they already had (per SDSS regulations) and given an appointment for a time she needed to be in school. She kept the appointment and after a 3 hour wait saw a different eligibility worker who was unfamiliar with her case.

The mother was told that she was no longer eligible for subsidized day care because she was attending a senior college. She was instructed that this was Stacy's last week. She tried to communicate her needs to the worker, who responded, "You can ask for an ACD administrative review before your termination date, and request in writing a fair hearing with the New York State Department of Social Services." She left the office devastated, with no day care alternative for her child but to stay home.

Three months later, the child was back in the day care center under the category Protective Services for Children, with the same problems that she had when she first came to the school. The mother was totally discouraged and without hope for the future, although with two more years of daycare access she could have finished her education, secured employment, and gotten off welfare.

Estelle's mom provides another case in point. Ms. C. has two children and is now on public assistance. When both her children were in a public day care program she worked in a factory, doing piece work. Every week her paycheck was for a different amount. At her recertification she took twelve pay stubs as required and all the rest of the documentation. When her case was reviewed, her fee was doubled to a fee she felt she could not pay. In her broken English she could not communicate her inability to pay to the intake worker and there was no one there who could translate for her. Because of the high fee she had to withdraw from the program and make private arrangements for the care of her children at the home of an elderly neighbor. The alternative arrangements turned out to be unreliable, causing her to lose her job because of absences and forcing her to return to public assistance. Ms. C. is now under emotional and financial stress, and is still looking for another job. However she has not been able to find adequate child care that would allow her to work. The children are affected by their mother's situation, both emotionally and educationally. Their only stimulation is the T.V. set which is on now all the time.

These two examples show how State regulations, implemented by ACD, put some families in jeopardy and make it impossible for then to get their lives in order. The bureaucracy destabilizes families with little concern for the long or short term effects of their decisions on people's lives. Parents cannot meet their mutual tasks of being transmitters of social expectations and shock absorbers of social change. Too often the services they need - whether good daycare or employment referral or family counseling - are not sufficiently available.

Many families are dropped from ACD for reasons that, like those in the two cases cited, seem unjust and unreasonable. Too often the families dropped from ACD still qualify, but have not made their case or cannot comply with requirements. For most of these families losing day care makes the difference between staying in a job or in school or becoming dependent on welfare. In a city where a large percentage of women and children are living in poverty and the job market is changing we ought to be promoting training and education for these women and providing the day care they need to take advantage of it. This is particularly true for the minority women who have always been the last hired and first fired. Our social service system must reflect these needs and this economy if it is to be of value.

There is no reason why the State eligibility guidelines cannot be changed and made more flexible. Even though ACD has often argued for just such changes and the need for these have been recognized, they have not been approved.

We endorse the following recommendations made by providers and advocates in child care, which could be implemented at little or no additional cost. They will help ACD uphold its mandate, moving it closer to a child-centered, publicly funded early childhood education program.

1. As ACD has argued to SDSS, annual recertification should be based on net income not gross income. (This allows deductions for: work related expenses; federal, state and city tax, FICA; health insurance payments, and babysitting fees.)

2. More than 60% of the recertifications should be done at the child's day care center, during hours that would not disrupt the parent's work or school schedule.

3. Parents who are in 2 year liberal arts college program or in four year college or graduate programs should receive child care services.

4. The looking for work time should be extended, and children should be able to stay in day care centers to the end of the year even if their parents are no longer working.

5. Given current economic realities, fees should be tailored to a family's ability to pay. All expenses should be considered. Fees should be kept low enough to allow working families to keep children in care and should be eliminated for additional children and for very low income families.

6. Social workers and translators should be available on-site to do accurate assessment of client needs and to assist clients in meeting these needs.

WOMEN ON WELFARE

FIGHTING FOR THE RIGHT TO HIGHER EDUCATION

Prepared for Ruth W. Messinger, Council Member 4th District
Spring 1987

By: Frances Taylor and
Esperanza Martell

College Women on Welfare Speak

"If you're alive after being a year on public assistance, that is prima facie evidence that you are cheating...because no other way could you be alive. Let's face it. If you're on public assistance and after a year you are not in the hospital suffering from malnutrition, you're not in a shelter and you still have your kids (because if you don't have a place to live, they take your kids away from you because 'you' are a neglectful parent) --then you're a welfare cheat."

* * * * * *

"You know. I've known women who have been on welfare 16, 20 years and they could have gone to school. They didn't know it. You know, there's no reaching out to the welfare mothers, you're just like another number when you go in there and you're not a person. You're not a person that wants to do anything real for your children. They don't care."

* * * * * *

"As soon as my case worker heard that I was going to school, she sent me to WIN. She said, "You have to go." I didn't know it at the time, but they cannot make you mess up school to go to WIN. They have to set your appointments up at another time. I found this out from my SEEK counselor. I was afraid they were going to make me drop out of school to go to work, but they wait 'til you're on summer vacation...that's why I'm going to summer school."

* * * * * *

"(Welfare) had me come in here to Hunter and get a financial aid breakdown or my whole case would be closed... I gave the woman in Hunter's admissions office that bit of information and I held out my hand and she lays the paper on the counter and there was no more eye contact... I saw her facial expression had changed. She was just as nice and cheerful with the next person. I step to one side to fill out the paper and she takes it and flings it into the box. 'Can you tell me how long it will take?' and she sucks her teeth and says, 'About two or three days. Next!' I felt about two inches tall. It gets to the point whenever I've got to go anywhere to get these documents I catch myself whispering. I don't even want anyone to know anymore. I'm so embarrassed for anyone to know."

* * * * * *

"When I went (to welfare) and told my case worker I had quit school because I just couldn't do it, she got this self-satisfied smile on her face and said, 'Well, it's probably better this way. You're young, you're attractive, you can find a man.' I stared at her and I said, 'Look around this room. We are all here because we found a man'... They want you to get married to get off welfare. They have no intention of your becoming economically self-supporting. As a matter of fact, they do everything within their power to make sure you don't...Just bottom line: women need college educations just to be able to make what a man with an eighth grade education makes. A B.A. degree might at least get you something that's above minimum wage. WIN trains you for minimum wage jobs."

* * * * * *

The Problem

There are women on welfare with children determined to attend college and move into unsubsidized employment. They see school as a lifeline to a better future for themselves and their children. For many this is a way to break from a life of battering, prostitution, and substance abuse. They enroll with great optimism.

Unfortunately, these women who are already victims of poverty, racism and sexism encounter more discrimination and endless bureaucratic harassment in college and from the welfare department. They are subjected everyday to the crises of parenthood, the pressures of academia and the trials of balancing everything at once. These problems are compounded by the fact that some of them were never prepared emotionally and/or academically for the life of a college student.

Still, many of these women stick it out. This is particularly the case when they receive the support services they need, have bureaucratic hurdles removed and are exempt from inappropriate rules and regulations.

It is our aim in this paper to argue that this population - women on welfare with children - like anyone else, should be allowed to attend college in order to break the cycle of poverty in which they and their families find themselves.

Current Program Requirements

The two programs which impose work requirements on welfare recipients are the Public Works Program (PWP) and the Work Incentive Program (WIN). PWP is a "workfare" program primarily for Home Relief recipients. This program requires participants to work enough hours to "earn" their welfare grants, at below the minimum wage. The WIN program stipulates that all AFDC clients whose youngest child is six or older must be employed in the regular economy, be in training for such employment, or participate in public service employment. To assure job placement in New York the Employment Opportunities Program (EOP) as included in Governor Cuomo's budget for 1986 is intended to incorporate and complement the WIN program. Under EOP, every WIN-eligible person is either placed in a job or must develop an employability plan with a Department of Labor interviewer to improve the recipients employability.

Although preparing eligible recipients for entrance into the regular economy is the aim of WIN and EOP policies, neither program considers attendance at a four year baccalaureate college, or enrollment in a two year associate degree liberal arts program as an acceptable employment-related activity. As a consequence, these programs effectively obstruct AFDC mothers' pursuit of a college degree.

Those who support this position argue that work must be required in exchange for aid (in spite of a client's current enrollment at a post-secondary institution) or most AFDC recipients will not work. However, 2 out of 3 AFDC recipients are children and cannot work. And the U.S. General Accounting Office (GAO) and Department of Labor studies have found that most AFDC adult recipients want to work.

These persons also assert that jobs are available but that, because they do not meet the social norms for good jobs, recipients will not take them unless required. Yet, statistics show that 25% of all working mothers who head families with children have incomes below the poverty level which is slightly over $11,000 for a family of four. Thus low-wage, short-term jobs help keep women in poverty. A 1977 Department of Labor study has shown that WIN training "does not enable large numbers of welfare recipients to obtain work in the regular job market allowing them to leave the welfare rolls." Indeed, as recently as 1980 the Comptroller General found that 60% of the jobs welfare mothers obtained required the participants to continue receiving full or partial AFDC benefits.

The Governor's work initiative is based on the federal administration's mandatory work program for 1986, which itself is predicated on WIN successes. But, a 1985 GAO report to Congress states, "evidence is insufficient to support the Administration's proposed changes to AFDC work programs." Federal policy, then, is to de-fund WIN, under-fund EOP, demand higher participation rates of welfare beneficiaries (75% over 3 years), and penalize states if they don't meet this demand. As a consequence, poor women are being pushed into low-wage employment, geared to the short-term, with a loss of health coverage and other benefits and with insufficient support services like child care. They are, thus, ultimately recycled back to the welfare rolls.

The new EOP policies and WIN practice violate their own intent: the New York State Social Service Law states that its WIN provisions are meant "to restore families. . . to independence. . . as wage earning members of society." Also, according to the Income Assistance Agency's regulations governing Approval of Training:

> "...training should:
>
> 1. by itself be sufficient to greatly enhance an individual's opportunity to secure unsubsidized (emphasis added) employment; or
> 2. when coupled with... other training, represent part of a comprehensive (emphasis added) approach to securing unsubsidized employment."

Yet, as the former Program Operations Official of Human Resources Administration (HRA) admitted, "there are 250 State licensed proprietary schools, and they have minimum curriculum requirements." The majority provide training in low paying, low skill jobs. This demonstrates that WIN training fails to train adequately for the new job market. By not requiring more skill training, WIN is falling short of its own objectives.

Alternatives

A more realistic appraisal of poor female heads of households and the job market would indicate that welfare mothers should be encouraged to pursue post-secondary educational opportunities. Forty precent of adult AFDC recipients are already high school graduates. And, according to the Children's Defense Fund the educational level of the mother correlates positively with the health of her children. Also, according to the Digest of Education Statistics, 1983-1984, 60% of white women, 50% of black women and 48% of hispanic women who are over 16 and employed, and who hold professional, technical and kindred jobs, have 4 years or more of college education.

Testimony before the Congress in 1985, on barriers to self-sufficiency for single female heads of families showed how California had successfully joined AFDC and community college programs to encourage the enrollment of welfare mothers in college as a part of their compliance with federal work mandates. In some instances, Massachusetts welfare policy recognizes education up to the bachelor's degree as an appropriate activity for AFDC recipients, and gives some community college tuition waivers for AFDC mothers. The AFDC mother continues to receive her benefits at pre-enrollment levels. The cost-effectiveness of such programs should figure into any State or Federal consideration of work programs, if indeed, the claim of helping mothers to become self-sufficient is to be realized.

According to Chancellor Joseph Murphy's, office there are over 15,000 AFDC recipients as students in the City University of New York (CUNY), the largest urban university system in the nation. The poor, from New York City and elsewhere, with or without welfare, have traditionally chosen the CUNY system as an educational route out of poverty. Almost half of those pursuing degrees on a full-time basis come from families with total annual incomes lower than $12,000 barely above the poverty level. However, CUNY graduates command "average salaries of $19,000 annually the year after they leave CUNY which attests to the market value of the training provided". If the head of a welfare family did not pursue a degree leading to an adequate job or employment with a decent living wage, such an individual would continue to receive public assistance at substantially lower then the poverty level.

Clearly, then, the AFDC students at CUNY schools have made a sound choice in seeking appropriate training for long term employment options at adequate wages. Attendance at a two or four year liberal arts college should be regarded as training-for-employment authorized under the WIN program and the work requirement should be officially waived until the student graduates.

The CUNY system has proven its capacity to make suitable judgments about courses of study that are vocationally-oriented. In conjunction with the State Department of Social Services they should be the architects of a list of appropriate programs. Their suggestions should guide the licensing judgment of the State Education Department and include CUNY's B.A. degree programs as realistic and viable training.

Child Care

If education is to be mandated for AFDC mothers, support services such as child care are not only needed but required by law. AFDC mothers with children between the ages of 6 weeks and 14 years are eligible for child care payments under the provisions of ACD (Agency for Child Development) if they are participating in an approved training or rehabilitative program. Unfortunately, this law includes only:

1. a two year undergraduate program with a specific vocational objective; or
2. skill training programs such as basic education and literacy training; undergraduate or college programs leading to an Associates Degree or certificate of completion which cannot exceed 30 calendar months.

According to WIN regulations an AFDC recipient can only be certified ready for employment or training when supportive services including child care have been made available. Yet even under the new Employment Opportunities Program supportive services are not more extensively mandated, nor has money been provided for them.

What is necessary is adherence to the provisions already required by legislation. It is also evident that four year colleges should be included in the ACD priority list as are two year colleges, regardless of course of study. Because of the limited number of child care slots available, funds currently slated under Title IV-A for informal child care arrangements should be expanded to include four year colleges. Child care search time should also be expanded given the difficulty of locating adequate informal child care help. The Agency for Child Development has itself recommended to the State Department of Social Services (SDSS) that it be allowed to serve the four year college student.

According to 1985-86 figures from the CUNY Financial Aid Office, 3,708 un-married AFDC mothers enrolled at CUNY schools for that academic year. Of this number 2,254 were enrolled at community colleges and 1,454 were enrolled at four year colleges. These figures do not reflect the spectrum of public assistance recipients in the City University System. Without child care, welfare mothers of AFDC families in CUNY will have to discontinue their educational pursuits short of the goal they have set themselves, according to the CUNY Child Care Council.

CUNY

Once women find themselves in college they face other barriers. Most of the student services offered by CUNY colleges are geared towards the college student between 18 and 22 who is supposed to live at home, and is likely to be financially dependent on her or his family. This profile is not an accurate reflection of the increasing number of older, female students registering for college, particularly in urban areas.

Not only is there no coordinated program for women on welfare and/or returning women students, often what the student confronts is insensitivity from those in a position to expedite bureaucratic and unnecessary procedures. Often these problems are intensified for women on welfare with children who have no one to confide in for fear of revealing their welfare status.

Women on welfare in college need to be provided with a supportive environment so they can meet and discuss common concerns and they need to be provided with referral services for emergency counseling, child care services, advocacy and information on their rights. This will help them to finish their education and make the final break from the cycle of poverty, and from the isolation and the stigma of being welfare women.

Conclusion

Because there is no uniform policy concerning the treatment of AFDC recipients who are in attendance at CUNY schools, CUNY financial aid advocates for these students must confront inconsistent responses from Income Maintenance (I.M.) and ACD workers about educational grants and loans, work programs, and child care. Advocates are seeking change in SDSS and HRA administrative policies - for the long and short range. They have stated that until four year college attendance legally qualifies for the WIN and EOP, administrative solutions waiving recipients' compliance with WIN and EOP should be sought and communicated to Income Maintenance workers. Administrative waivers and information regarding educational loans and grants should be updated and sent to welfare centers and school financial aid offices; sanctions should be applied against centers that fail to comply. Training of I.M. workers to meet the needs of college women on welfare is needed. ACD also should create a mechanism to allow women in 4 year colleges to receive child care.

· Women on AFDC who decide to attend college have made a major and constructive choice about how to secure long term employment which would pull them permanently off the welfare rolls. All AFDC mothers should be apprised of higher educational opportunities and financial aid options. This information should be made available in packets distributed through the mail or at local Income Maintenance centers. No woman who wants a job or wants an education leading to a job should be denied this opportunity through Income Maintenance interference or ignorance of the options available.

The cruelty embedded in this system of conditional charity must be challenged and rooted out. It functions to dehumanize people who need on going support to maintain their psychological well-being as they confront daily devasting realities.

Recommendations

STATE

1. Alter policy to include four-year college attendance and two year liberal arts courses as exempting students from WIN and EOP work requirements and fulfilling the training option.
2. Issue Administrative Directives to I.M. Centers or waivers exempting college student public assistance recipients from WIN or EOP work requirements.
3. Send up-dated Administrative Directives promptly to I.M. Centers and Legal Services and CUNY Advocates.
4. Provide CUNY Advocates with names of contact persons in all I.M. Centers whom they can contact in case of caseworker error or other welfare/student snafu.
5. Improve training of I.M. caseworkers informationally and attitudinally.

CITY

1. Inform and make I.M. Center caseworkers accountable for policy.
2. Provide specially informed I.M. representatives on issues of college student recipients.
3. Expedite AFDC payments of childcare funds to CUNY childcare center.
4. Meet regularly with CUNY Advocates; develop information packet to be prominently displayed in I.M. centers explaining the right of welfare recipients to attend college.
5. Provide appropriate and easy to obtain and understand forms for CUNY students on public assistance to fill out for I.M. Centers.

CUNY ADMINISTRATION

1. Provide funds to train and use student service specialists to handle CUNY welfare and other social service problems.
2. Prominently display all welfare and Food Stamp directives from State or City DSS in school environs.
3. Be sure Presidents and Deans are informed on relevant issues and able to advocate to policy makers on behalf of this CUNY population.
4. Provide early registration and flexible schedule for welfare recipient students.
5. Support student initiated organizational efforts on behalf of public assistance recipients in schools.
6. Support on-campus child care.
7. Encourage women's centers and Women's Studies Departments to sensitize themselves to this population.
8. Make available special Emergency Educational Funds (grants and/or loans) for welfare recipients in college.

CHILDREN IN NEED

THE CHILD CARE NEEDS OF HOMELESS FAMILIES LIVING IN TEMPORARY SHELTER IN NEW YORK CITY

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COUNCIL MEMBER, 4TH DISTRICT

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PREFACE

The authors of this report are committed to working for the economic, political, and social equality for all women. Our commitment prompted this difficult and time consuming project.

The report, which is on work done in early 1985, took longer to complete than we had hoped. The need for its findings kept us motivated to complete it. The statistics have been up-dated to reflect the correct situation.

Our intention is to offer service providers the information they need to provide child care for the parents and children living in temporary shelter. We hope we have accomplished our goal.

We would like to thank the many people who assisted us and are eager for our findings to be released. They offered us clarity, information, resources, and commitment. Without the women who completed our survey, Gale Brewer, Ruth Messinger, Bonnie Strahs, Nancy Wackstein, Susan Letteney, Juanita Carrillo, Vesna Baer, Esperanza Matell, and the field supervisors and staff at Crisis Intervention Services this report would not have been possible.

We hope that non-profit groups and municipal service providers continue to offer the resources necessary to develop, maintain, and fund child care services for homeless families in New York City.

INTRODUCTION

Service providers for families in temporary shelter in hotels in midtown Manhattan brought the drastic need for child care to the attention of our office. Two graduate social work students, Karen Vanderbourg and Angela Christofides, met with Bonnie Strahs, Director of Women In Need, and Juanita Carrillo, Program Director of Crisis Intervention Services, to discuss the issue. They said everyone knew child care was needed in the hotels but that documentation was a necessary prerequisite for actually obtaining the service.

In response a survey was designed by the students and approved by all parties concerned. Four hotels were chosen for its administration. They are:

1) The Holland Hotel - 351 West 42nd Street, Manhattan. At this hotel both Women In Need and the Crisis Intervention Service had worked with parents to maintain and provide space for child care. However, the parents who were most interested in the child care were also the most determined to get permanent housing. Students walked from floor to floor, knocking on doors to distribute the surveys. Some of the women filled them out while we waited, some filled them out and returned them to the Crisis Intervention Service office.

2) The Hotel Martinique - Broadway and 32nd Street, Manhattan. The Martinique is one of the largest providers of shelter and offers many services to its residents. A C.I.S. worker was so interested in what we were doing he personally assisted his clients in filling out the survey. In addition, a Hudson Guild staff member who runs a women's support group circulated them to the participants. Other parents got surveys while they were in line for a lunch program provided by the Coalition for the Homeless.

3) The Crown Hotel - 136 West 44th Street, Manhattan. We chose this hotel because it was a smaller hotel and we thought it might give us different results. It did not. One student went door to door to distribute surveys.

4) The Brooklyn Arms Hotel - Brooklyn. We chose this hotel because it had an other than midtown location. Again, there were no significant differences.

We received a total of 154 responses from women who together have a total of 393 children. Of these 154 women, 74.1% were between the ages of 21 and 35, in the prime age for work force participation. They had, on the average, 2.6 children, or two or three children per household, as do most homeless families.

About 60% of the women answered the survey while we waited in the hallways. Approximately 20% of the surveys were returned to the Crisis Intervention Services' office located in each of the hotels. The other surveys were filled out as explained above.

The survey was not presented as a tool that would guarantee child care, but rather a way to show that a child care service was needed. We told the women that by answering the survey they were assisting parents who, in the future, would be in shelter. We also told them they would be helping us understand the type of service they would like.

Very few of the women were resistant; many wanted to talk with us about their life in shelter. Several asked us for referrals to other social service agencies. They indicated a lack of trust in Crisis Intervention Services, saying they refused to tell the C.I.S. worker about their needs because of fear of ridicule.

Although most of the respondents are women of color and both the researchers are white, interviews showed no race tension. However, some women may not have answered for that reason. A few women said that nothing any one could do would make any difference in the hotel, and one women said that if "they really cared they wouldn't keep us in a place like this." She filled out the survey anyway. The disruption of family life and the stresses facing these women touched us. Their strength, self-respect and hope for the future gave us peace.

The research instrument itself is presented in full in Appendix B. The questions are simple and direct. It is a strength of the research that it was highly focused and did not take longer than five minutes to complete. The only question we had any problem with was the one concerning drop-in childcare. It was not clear to all respondents that we meant care available whenever it was needed. Some women did not ask and just filled in all the responses.

We determined that there was a need for childcare when either one or more of questions 8, 9 and 10 offered a positive response. We did not ask the question more directly because we felt it would impede completion of the instrument.

The survey did not ask any questions about after school care, though many women with only school-aged children responded. They indicated where their children were receiving after-school care if they were, and that they would like such care if they were not already receiving it. Thus, although the survey did not address the need for this service we did find out that it exists.

Despite the limitations of our survey, the results are clear. An overwhelming majority of the women - 90.3% - want childcare. Only 9.7% indicated no such need.

BACKGROUND

Homelessness is not new to New York - there have always been homeless individuals and families in the City. What is new is the number of people seeking shelter assistance and the length of time they stay in a public shelter.

In 1970, New York City housed 1,100 families. (1) In January, 1985, 3,400 families were in shelter (2), and by September, 1985, the number of homeless families had grown to 3,858. (3) The City today is housing more than 4,200 families in various hotels, congregate shelters, temporary apartment units and dormitory-like family shelters.

The average length of shelter occupancy in early 1986 was 13.6 months; many families stay far longer than one year. Due to the continuing loss of affordable housing and the increased impoverishment of women and their children, homeless families will remain a population in need of government assistance.

The Housing Crisis

Six hundred and seventy thousand housing units renting for under three hundred dollars a month were lost between 1978 and 1984 in New York City. (4) The loss has been due to the relaxation of rent control and stabilization laws, cooperative conversions of rental units, inflation, arson, landlord abandonment, and an ineffectual housing court which is able to evict tenants more readily than it can force owners to make repairs. This loss will be further exaggerated by the 1985 rent stabilization guidelines which allow landlords to increase rents by $15 over the generally allowable percentage for any apartment renting under $300 a month.

The Homeless Family: Single Women And Their Children

Homeless families usually consist of one woman with two or three children. According to Vesna Baer, research analyst for the Human Resources Administration, about 70% of all homeless families are headed by single women; the majority receive an income grant under The Aid To Families With Dependent Children (A.F.D.C.) Program, minus the separate rent allocation.

The 1984-85 A.F.D.C. rent allowance for a family of three is $244 a month; for a family of four, it is $270. This is not enough money to rent a decent apartment on the open market where the median gross rent for all apartments was $330 in 1984. Often, apartments that rent for less than the grant amount are substandard and have numerous code violations. A.F.D.C. recipients have three alternatives. They are forced to live in substandard housing, which contributes to displacement, they are forced to live with relatives or friends until such time as the arrangement can no longer be maintained, or they are forced into a "welfare" hotel.

The City's Response

In Fiscal Year 1985 the Human Resources Administration (H.R.A.) spent $97 million to house homeless families in approximately 60 for-profit hotels, family centers, and congregate shelters throughout the metropolitan area. (6) That amount is escalating rapidly. HRA estimates that the cost of providing shelter for homeless families in FY 1987 will total $159 million. It now costs between $1,200 and $2,000 per month to house one family in a for-profit "welfare" hotel. The cost is shared by the Federal, State and City governments; the Federal share is 50%, the State and City each pay 25%.

Although they profess interest in providing services to homeless families and in developing new permanent low-income housing, neither the President, the Governor or the Mayor have done enough to alleviate the severe shortage of affordable housing stock for low income residents. They impose the confusion and stress of homelessness on thousands of women and children and then pay for this dearly.

The City owns approximately 48,000 apartment units in close to 6,000 abandoned vacant buildings. Since 1983, New York City's Department of Housing Preservation and Development (H.P.D.), has renovated only 5,200 units for homeless families. There are still more than 4,000 families now homeless and more than 47,000 families doubled and tripled up in New York City Housing Authority housing units, at risk of homelessness. (7) Furthermore, there is an estimated 17 year waiting list for those public housing units.

Until government recognizes the need to provide housing at all income levels and to move homeless families into decent, permanent and affordable living space, it will continue to be burdened with the need for expensive services to homeless families.

One such need, poorly met, is the need for assistance to parents caring for children while living in a hotel. A 1984 report to the Governor and the Legislature (8) surveying 239 shelter service providers identified the major un-met need after housing referrals as child care.

We believe that if child care is provided homeless families, mostly single parent and female headed, will be better able to use the housing search van provided by H.P.D. and more likely to seek housing on the open market.

CHILD CARE SERVICES FOR HOMELESS FAMILIES

Approximately 10,000 children are homeless in New York City. The Agency for Child Development (A.C.D.), in Fiscal Year 1985 spent $1,872,725 providing 496 of child care spaces for Pre-School and Schoolage children who are placed in temporary shelter. In Fiscal Year 1986 the allocation has increased to $2,600,504, providing an additional 130 spaces for children.

A.C.D. currently meets approximately 18% of the total estimated need for New York City families who are eligible for publicly assisted child care. (9) As low as this figure is, it is even lower for homeless children, only 10% of whom are being provided with some form of child care, according to our sample. While A.C.D. has increased its attention to the need for child care for displaced families, it ought to expand its efforts until these families have at least the same service as is being provided for other low income New York City families.

Two Examples: Manhattan Hotels and Our Sample

The estimated age breakdown of children in all Manhattan hotels is based on Winter, 1985 statistics supplied by the Crisis Intervention Service. (10) Our sample was compiled at the same time.

Children between 2 months and 2 years old qualify for infant care, children between 3 and 5 years old qualify for pre-school care, and children between 6 and 12 years old qualify for after school programs, according to A.C.D.'s guidelines. It must be remembered that precise data on almost any aspect of the hotel population is difficult to obtain due to the fact the population is transient with families moving in and out daily.

Children In Manhattan Hotels

	Totals	Per cent
Ages 0 to 2 years	1,102	27.6
Ages 3 to 5 years	1,130	28.1
Ages 6 to 12 years	1,777	44.3

Our Sample

	Totals	Per cent
Ages 0 to 2 years	110	31.3
Ages 3 to 5 years	92	26.2
Ages 6 to 12 years	149	42.5

As can be seen here, our sample slightly over represents infants and slightly under represents pre-school and school-aged children. This may somewhat skew our results, but not in ways that seem important. Our findings are close enough to the general statistics to be used without difficulty.

Although displaced families are considered a priority by A.C.D., they are put on waiting lists. The day and after-school care they get is not adquate:

For Pre-School Children	# of Slots
Martinique Hotel - A.C.D.	30
Boy's Harbor (serving the Regent Hotel at 102nd St.)	35
Jewish Board of Family Services (also serving the Regent)	30
For Head Start (also serving pre-school)	
Dewitt	40 - 60
Total	135 - 155

For After-School	# of Slots
PRACA	40
42nd St. P.A.L.	100
Boy's Harbor (serving the Regent)	100
Total	240

In this sample of Manhattan hotels, 13.7% of the child care need for pre-school aged children is being met. For after school-aged children 13.5% of the need is being met. For infants, none of the need is being met due to the difficulty and high cost for providing such care.

In our broader sample, which includes three hotels located in Brooklyn, we found only 10.2% of all 393 children being served by child care or after-school programs. Only 10.8% of our sample children were in day care, while 89.2% were not receiving any assistance at all.

	In Day Care	Not In Day Care
0 - 2 years old	3	107
3 - 5 years old	21	71
6 - 12 years old	14	135
Total	38	313

Whether looking at figures provided by the Human Resources Administration and the Agency for Child Development or looking at our own sample, it is clear that children of homeless families living in for-profit hotels are discriminated against in their accessibility to child care and after-school care services as compared even with the very low 13% met need for the City as a whole.

Why Provide Child Care For Homeless Families?

Child care is a need for all families who live and work in the metropolitan area who do not have informal or purchased child care services available to them. But for displaced parents and their children it is an urgent need.

Homeless families, as defined by the Human Resources Administration (H.R.A.), are families with "special needs." Due to the loss of a permanent residence, homeless families face disruption in almost all aspects of family life and experience immense stress.

Mothers who care for children are unable to perform such daily routines as cooking dinner and eating with their family around a kitchen table. Kitchen facilities, other than possibly a refrigerator, are not provided. Often families with three and four children share one hotel room so the mother must share her bed with one or more of her children. Most families are in hotels in midtown and thus exposed to intense street activity and, often, serious crime.

Children usually experience a change in school and lose contact with friends and teachers. Their hotel rooms rarely provide any space or surface for homework or adequate lighting for reading. No hotels appear to provide open space where children can play in safety. They crowd the dirty hallways and the frequently un-lit stairways which serve as play areas or, if older, they spend time in the streets and on the sidewalks of midtown Manhattan.

While certainly these conditions create stress for both parents and children, the major stress for the family derives from the never-ending search for and lack of affordable, decent, permanent housing. Because most families are placed in shelters outside of their neighborhood or borough, the parents have no accessibility to an informal child care network and thus are further hindered by the lack of day care.

The search for housing occurs in two ways; the parents search for housing on their own, or they use the "van search". Only 5.8% of the women we interviewed indicated they wanted child care so that they could search for housing on their own. The majority rely primarily on the "van search" provided by HRA's Crisis Intervention Service (C.I.S.) in their hunt.

The "van search" is a van which takes families to apartments being renovated or managed by the Department of Housing Preservation and Development. Many of the mothers we spoke to were concerned about the apartments being shown to them. The majority were in various stages of being renovated, so it was difficult for the mothers to envision the apartment after completion. Also, the mothers were concerned about the neighborhoods where the apartments were located, citing numerous burnt-out buildings on the same block.

Yet, these were not the primary reasons why the women did not use the "van search". In our sample, 64% of the mothers wanted child care so they could use this program. C.I.S.

workers encourage them to ride the van, but mothers often found it difficult because they could not take their children with them. Unless a mother has a family member in close proximity, or has learned to trust another mother from the hotel, or leaves her child unattended, she has no other alternative but to pass up the van.

Reasons for Wanting Child Care

The mothers we interviewed sought child care for the most essential reasons. Here is how they replied to the question: If child care were offered to you, when would you use the service? (We asked them to check all the categories that applied to them, therefore, our totals will not equal 100%.)

Reason	Response
Shopping	28.0
Public Assistance Appointments	63.0
Visiting Relatives	0
Food Stamps Appointments	37.7
Van Housing Search	64.0
Medical Appointments	49.4
Visiting Friends	0
Job Search	41.6
Other Fill In Responses:	
School	6.5
Work	2.6
Apartment Search On Own	5.8
When Sick	2.6

The mothers we sample, would use child care services, if available, for serious tasks which are important to family maintenance. The two primary reasons were the van housing search and public assistance appointments. The mothers explained they found it difficult to take their children with them for public assistance appointments because they usually wait all day to be seen and their children became hungry and irritable while waiting. The other three important reasons given for child care use were medical visits, job searches, and food stamp appointments. The mothers did not intend to use child care for their leisure. In fact, they stated they take their children with them when visiting relatives or friends.

Unfortunately, the fill-in responses are not highly reliable because of the low response rate. In addition, going to work or school is not encouraged since the hope is that families are being housed temporarily and should be primarily concerned with finding permanent housing.

TYPE OF CHILD CARE SERVICES NEEDED BY HOMELESS FAMILIES

Not all mothers wanted child care for their children. Our sample suggests that almost ten percent want no child care services at all. The majority of these mothers had children under two years old, and stated that they did not trust their children with anyone else. Because this survey was conducted during the City's day care center sex abuse scandal this may have influenced their responses.

Over ninety percent of the mothers we interviewed indicated some desire for the service, and said they would use it any day of the week it was available. Almost 37% indicated a need for all-day child care, while 19% wanted the service in the morning and 17.9% wanted it in the afternoon. Almost 16% wanted the service on a drop-in, as needed basis. A total of 52.8% did not indicate a need for child care on a full-time basis, but more than one third did, so perhaps both should be available.

Fifty percent of our respondents would use a child care service even if it were located ten or more blocks away from the hotel. More would use it if it were closer and over 60% would use it if it were close to or in the hotel, or if bus or van transportation were provided.

Mothers of children under five tended to be more hesitant to use a service located further than five blocks from the hotel, yet many mothers were concerned that a service located in the hotel would not be a positive environment for the children. They noted the desire for open space, sun and generally pleasant surroundings.

In 1985, C.L.S. staff in the Martinique in conjunction with Women In Need, a not-for-profit service provider, worked to develop and maintain a drop-in child care service for the mothers where they themselves did the actual child care. When we asked our respondents if they would use a service staffed by other mothers, fifty percent declined, while just over 27% said they would. Another thirteen percent said they would consider using such a service if they knew the mother who would be watching their children.

Responses changed significantly when we asked if they would use a service with a paid and trained child care supervisor. A full 77.3% said they would, whereas only 16.2% continued to refuse or wanted to know who the supervisor would be. They indicated that they would use the service if hotel mothers were trained and worked under the supervision of a trained professional. Such a structure could cut costs, train homeless women in an employable skill, and facilitate the input of mothers who use the service.

We included an optional question which asked the mothers what they would like their children to do while in child care. Their answers again prove that the mothers take the provision of child care as a serious matter and not as a luxury. Over half of our respondents, and all who answered this question, wanted their children to learn to read, write, spell, and think. Over thirty percent wanted their children to play, learn arts and crafts, and engage in constructive physical activity. A full twenty percent wanted their children to learn such socialization skills as discipline, getting along with others, and respect for other people. We learned that many mothers felt they no longer had the ability to control their children because of hotel conditions.

CREATING THE SERVICE

Creating new day care services for the homeless family is a difficult proposition because of the significant resources needed to rent space, pay staff, meet health code standards, and purchase equipment.

This is further complicated by the nature of the family situations. They are a transient group, with their shelter stay dependent on the availability of housing. They may be reluctant to use child care on a regular basis. The service would thus require not only money but flexibility. Still, doing it seems vastly preferable to allowing as many as 4,000 children to live one to two years in a hotel without the opportunity for such care, in an evironment that is clearly hostile to healthy development.

It is important in designing future services to recognize the reservations mothers in hotels have in putting their children into such programs. The transience and disorganization of their lives exacerbates their distrust. To be successful the center staff will need to address this matter directly, to include the mothers in as much of the program as possible, and to enhance their roles in both the planning and service stages.

Infant Care

Infant child care is difficult to arrange because the cost is higher than what A.C.D. will pay. Still, most women we interviewed said they wanted infant care, on at least an occasional basis. Without it the mothers' ability to find housing will be limited. Ideally all mothers with children under the age of 2 years should be placed in shelters close to their natural support network, or be placed in smaller shelters where infant care is available on the days that the van goes out.

After School Care

Now that many public schools are open after 3 p.m. plans must be made to insure that all homeless children between the ages of six and fifteen utilize this service. C.LS. workers could work with the local schools on behalf of these children, arranging their transportation home and structuring opportunities for homework and tutoring, as well as constructive play.

Pre-School Care

The primary problem facing the development of more child care service in midtown is the cost of rental space. Either more families should be relocated outside of Manhattan where child care can be established or programs must be established for those in midtown with appropriate transportation. Smaller group settings such as that set up in Sunset Park are desirable. Manhattan space can be found within 20 minutes drive. Hotels can be required to provide public space for child care as a condition of receiving rent from the city.

Funding is a problem, but the need must be met by the Human Resource Administration through the Agency for Child Development or the Crisis Intervention Service. Various non-profit organizations already serving the homeless would be willing to bid to provide such programs.

STATEMENT

of

Ernest Latty and Gregory Loken

of Covenant House

Mr. Chairman and Members of the Subcommittee:

We are very grateful for the chance to discuss with you today the real--and critically important--opportunity for reform of what is euphemistically called our national "welfare system." Our mutual experience working with and for some of the most troubled, vulnerable adolescents on the streets of America belies that phrase. At least with respect to young people on the cusp of adulthood we are convinced that federal, state and local relief programs are seriously flawed, and often highly damaging.

Both of us work at Covenant House, founded by Father Bruce Ritter in 1968, and now the largest agency in North America providing shelter and crisis services to homeless and runaway children and teenagers with programs currently operating in New York, Houston, Toronto, Fort Lauderdale, Antigua Guatemala, Guatemala City, and Panama City. During the next year we will open new comprehensive programs for "street kids" in New Orleans and Honduras; the need for such services is extremely pressing all over the continent. Over the course of 1987 we can expect to shelter more than 15,000 children under age 21—some overnight, some for a week or a month, and some for much longer if their emergency needs demand it.

Ernest Latty is unit manager of our New York Center's mother/child program, which each year shelters some 800 girls who are mothers or who are pregnant, along with almost 900 infants who accompany them. Gregory Loken is executive director of the Institute for Youth Advocacy, the branch of Covenant House responsible for helping to shape public policy regarding homeless and runaway children; he also serves as senior staff attorney in New York, providing legal counsel and representation to children in the care of Covenant House.

Neither of us is expert in the intricacies of "welfare policy," but our deep commitment to a population of utterly destitute children--the vast majority of whom have either come from families on welfare or will depend on it themselves in the future--convinces us that we should place before you at least that limited amount we do know because we see it every day. And we earnestly ask that, in view of the steadily deteriorating position of poor teenagers, you give their needs the highest priority in your examination of federal public assistance policies.

I. The Crucible of Adolescence--1980's Style

It is a commonplace that the poor have not fared well over the past two decades, but the crisis of the teenaged poor is most remarkable of all. Mortality and morbidity rates for the general population--and even for the poor generally, including infants--have fallen steadily. Rates of adolescent deaths and illness, by contrast, have climbed 11 percent over the past twenty years.[1] The emergence of an enormous population of homeless and runaway children--1.1 million a year by one federal estimate[2]--may in large part explain this decline in the most objective measure of well-being among teenagers. The increase of intra-familial abuse of the young--particularly a sharp rise in sexual abuse[3]--may explain in part why so many young people take to the streets. And on the other hand that street life probably explains why the rates of teenage rape and teenage prostitution have risen so dramatically. With teenage unemployment rates reaching historic heights during the 1980's those finding themselves homeless have few alternatives to crime or prostitution.[4] Most pertinently to these hearings, the public costs of supporting teenage mothers on A.F.D.C., Food Stamps, and Medicaid now stand at over $16 billion a year[5]--the result of enormous increases in adolescent sexual activity and pregnancy.[6]

These large, "public" facts mean little when a young girl carrying a tiny child arrives at your program's doorstep--on foot, and with no Saint Joseph standing at her side. To give the Subcommittee some idea of the "private" side of the modern tragedy of poverty, we attach a short but we think remarkable document: "An Evening at Covenant House: The Journal of a Child Care Worker." Written by Elizabeth Rooney, who is just nearing the completion of her yearlong commitment as a full-time volunteer at Covenant House, this brief account of one night in our mother-child program speaks with the concreteness and humanity that arguments from tables and charts always fall just short of. We ask that you evaluate our larger observations and recommendations--along with those of other witnessess--in light of the real everyday heroism of poor women, men and children, and of those who put aside self-interest to fight along their side.

II. Foundations for Effective Change

So greatly have teenage vulnerability, poverty, and despair grown since "welfare reform" was last seriously discussed that we believe the adolescent poor should be the most important focus of the now revived debate. Every evening at Covenant House we bid goodnight to 14-, 15-, and 16-year-old girls and their children. We wish desperately there were some alternative to the "welfare system" for them, but we know that many if not most of them will become its clients--even if we can get them into foster care or job-training programs first. Many of our older girls are already clients of public assistance programs--programs so poorly conceived and administered that the young mothers and their children had no alternative but to come to us.

Ultimately, we may conclude that older teenagers living on their own should not be in the adult "welfare system" at all--that the seemingly unending spiral of welfare dependency from generation to generation can be broken only with a massive public commitment to educating, socializing and inspiring youngsters on the verge of adulthood

There are substantial reasons to question the assumption so widely--and blithely--adopted in the 1970's that 18-year-old youths are capable not just of intelligent political participation as voters but of all the responsibilities of full adulthood. For children raised in squalor and urban choas it seems to us quite unreasonable to expect a transfiguration to adulthood at the age of 18--especially, it should be added, when that status means establishing and managing a household on the extremely cramped scale imposed by public assistance. Long-term improvement in "the system" can come, we believe, only when the special plight of this 18- to 20-year-old age group is openly acknowledged, and separately provided for.

But for now we are concerned with reform, and after speaking with hundreds of girls who have come to Covenant House, and after carefully considering what they have told us, we offer the following five principles for responsible change in the system:

A. Increase Medicaid Benefits for Adolescents. The health crisis facing adolescents is in part the result of their inability to obtain regular medical care: pregnant teenaged women are the most notorious example, but all poor teenagers are ill served in the current system. Particularly unfortunate is the setting of Medicaid income cutoff levels so low that virtually all working adolescents--almost none of whom receive health insurance through work--are ineligible for coverage. As the Chairman himself has pointed out, this results in teenagers being forced to sacrifice thousands of dollars worth of medical benefits to take subsistence jobs. Increasing maximum income levels for Medicaid coverage--at least for teenagers and young adults--could have dramatic public health benefits. And the long-term savings in adult health complications and loss of productivity will be substantial.

B. Recognize Special Educational Needs of Teenagers. Current A.F.D.C., Food Stamp and Medicaid rules discourage older teenagers from continuing their education, and do not substantially encourage younger adolescents to stay, and perform adequately, in school. We favor serious reform in both directions. Older teenagers dependent on welfare who are seriously pursuing college or vocational training should, we believe, continue to be eligible for public assistance--with that assistance treated, perhaps, as a long-term loan payable out of future earnings. Younger adolescents, too, need to be strongly encouraged to continue their education rather than dropping out--even for a job. Such encouragement should take the form of extra payments to A.F.D.C. recipients for teenaged dependents--payments fully justified by economic reality, as we will discuss below--conditioned on satisfactory school attendance and performance. As the recent work of Greenberger and Steinberg makes clear, it is in school, not behind a fast-food counter, that teenagers best prepare for productive adulthood.[7]

C. Recognize Higher Costs of Raising Adolescents. Increased financial investment in adolescents in families on A.F.D.C. is only simple justice. According to figures of the U.S. Department of Agriculture, the costs of raising children under even the most parsimonious budget rise by well over 20 percent as they enter and progress through their teens--a function of higher food and clothing costs.[8] Levels of public assistance currently make no provision for this change--nor, of course, for changes in the real cost of living--and so insure that families on welfare will feel intense economic pressure as children become teenagers. Seldom do young people who leave or are forced out of home immediately cite economic reasons for family disruption. But the power of financial strains to divide families emerges after only the briefest follow-up conversation. Thus the reasons for many teenagers' entry into deviant or delinquent conduct is a simple, all too rational desire for money of their own--money their parents won't, and if on welfare can't, give them. The resulting family conflict seems to be one over misbehavior; fundamentally, though, it is a battle over cash. Teenagers cost more than toddlers and young children--are we too blind, or too stingy, to recognize that fact?

D. Simplify Welfare Procedures for Adolescents. Most of the young people we see who have been on public assistance have not managed to negotiate the system for long. The documentation and face-to-face interview requirements that are necessary to ferret out dishonest recipients also work to exclude the most inexperienced and immature. Without attempting to propose alternative verification and application procedures, we do believe that the procedural aspects of the current system bear careful examination by the Subcommittee. Have we made getting and keeping welfare so time-consuming and complicated a job that recipients have little energy left for seeking any other work? Have we made the process so humiliating on the one hand, and so impersonal on the other, that recipients are ultimately led to self-disgust and utter cynicism? We only know we see these results—in an admittedly narrow context--every day.

E. Fund Long-Term Remedial Programs for Homeless Teenagers. Many teenagers, unfortunately, are out of their families, out of school, and out of any of the support networks on which the original A.F.C.D. program, and virtually all other social service programs for teenagers, including to a large extent the Job Corps, were premised. For those homeless young people, mostly aged 18 to 20, minor surgery in the system will not do. They require a radical commitment not just of money, but of human energy, intelligence and compassion. No system of public assistance that merely writes checks, issues stamps, and pays medical bills can begin to address their most fundamental needs.

At Covenant House for many years we could attempt to meet the emergency needs of these young men and women--that is, patch them up and watch them walk back out bravely on the street, often to return a month or two later much worse for the wear. We thought, we hoped, long-term programs for them would spring up; the need, after all, was so overwhelmingly great. But over time we concluded that we couldn't wait for others to do the job--that we had to at least make a start.

The result is our Rights of Passage program, an effort less than one year old designed to turn around homeless, street-battered 18-to-21-year-olds. Youth accepted--we make them apply--to the program spend a year to eighteen months in a pleasant, comfortable residence. They receive intensive remedial education. They begin employment in jobs that clearly have a future--often in major corporations. We recruit successful adults to serve as unpaid mentors--one on one--to the youths. And we provide support and guidance in the more intangible areas of human relationships and personal ethics. This past year has been an experimental period for the program--with only 25 participants in the New York site. But we are so encouraged at the results that we plan on integrating it into all of our crisis programs, and to expand the New York effort fourfold.

Obviously Rights of Passage, which is funded solely by private funds, may not be an ideal model for future federal efforts in this area. But its success so far convinces us that there is hope for homeless kids, if we care enough, and if we are willing to work hard enough. Shutting off the dreams of these young men and women is foolish public policy. Worse, it is mean in spirit.

Footnotes

1. American Medical Association, A.M.A. White Paper on Adolescent Health 1 (1986).

2. Office of Inspector General, Dept. of Health and Human Services, Runaway & Homeless Youth: National Program Inspection 11-12 (1983).

3. D. Russell, The Secret Trauma 75-84 (1986).

4. G. Loken, The Federal Battle Against Child Sexual Exploitation: Proposals for Reform, 9 Harvard Women's L. J. 105, 105-106, (1986).

5. M. Burt, Estimating the Public Costs of Teenage Childbearing, 18 Family Planning Persp. 221, 223 (1986).

6. See M. Zelnik, J. Kantner, & K. Ford, Sex and Pregnancy in Adolescence (1981).

7. E. Greenberger & L. Steinberg, When Teenagers Work 156-206 (1986).

8. U.S. Department of Agriculture, Estimates of the Cost of Raising a Child, Table 8. For instance, the one-year cost (at June, 1980, price levels) of raising a 16-year-old at the most economic scale in an urban setting in the Northeast was estimated at $2,215, or 24 percent more than the $1,790 cost for a 9-year-old under the same circumstances. The contrast is even greater (32 percent) when a 16-year-old is compared with a 5-year-old.

AN EVENING AT COVENANT HOUSE

Journal of a Child Care Worker

by Elizabeth Rooney

It's 2 p.m. I start prepping myself for work. I've got to be relaxed and in touch with myself before I go in or it's all over. I work on 3A, the mothers and babies unit at Covenant House. It's both beautiful and crazy here. I've experienced some of the most emotional and the most abuse-filled moments of my life here. So much happens in an eight-hour shift that I question what my job really is. I often get quite frustrated.

We have a constant flow of extremely needy kids as well as their extremely needy offspring. Each one of them needs an incredible amount of attention, intensive counseling, a great deal of love, the basic essentials and about a million times more time than any of the few staff per shift is able to give. Kids who are gone often pop back into my mind. Those I work with are often in my dreams and in my thoughts. I wish I could do more. They all—or at least most of them —need so much more than my instinct and small bit of experience can handle.

It's 3 p.m. I arrive at a hot office. One window is open. The office is crowded with desks, chairs, staff. Arena, a small-boned pregnant resident, is talking to one staff member. She is angry at another resident for borrowing her curling iron and not returning it. Through the explanation, she taps her feet and yells. Tears are dripping from her glossy eyes. Another resident is trying to get the same staff person's attention. "Excuse me. Excuse me. I need a towel." "I'm busy right now. Can you wait?" says the staff person. The resident leaves yelling "You can never get what you want around here."

I haven't been at work for 5 minutes when someone approaches me.

"Beth, I need to talk," she says. I can tell she's been crying. I ask her what's wrong.

"I went to see my boyfriend today. He's getting thinner. I keep telling him to stop doing crack. It's killing him." These words come after much probing and a precious 15 minutes of counseling.

Staff keeps telling me it's time for shift transition. The first shift has to get out by 4. The night list still hasn't been done. The chore list needs to be given to the girls. The rooms have to be locked. Dinner needs to be picked up from downstairs and served by 4:30 p.m. I already have two phone messages and Michael keeps looking at me with this serious expression—saying he has to tell me something about one of my girls.

I wish I had two hours to sit and talk with Andrea about her boyfriend and her pain in feeling so helpless. But I don't. I can't even really talk to her about that. Her boyfriend is not at Covenant House; his issues are not our concern. We are trying to find these kids a place to go and working out their immediate problems so that they are no longer homeless. So many of their problems and deep-seated issues go unsolved.

I am finally finished with Andrea. It's time for shift change. There was a fight during the afternoon. A number of the girls are upset about different things. I knew I could feel the tension on the floor.

After shift change, Michael gives me the news. Bernadette went AWOL. I've worked with her for weeks on getting her into a drug program. So many hours spent talking. So much energy invested. But I guess it wasn't enough. Sometimes I wonder if it's just them, if it's inevitable or if it's the lack of quality time we have to spend with the girls.

I'm telling girls to get their kids in bed at 7—usually five or six times before they say yes, keying girls up and down the elevator, getting supplies, dispensing medicine, introducing new girls to the floor, conducting night meetings, taking care of kids in the nursery on workshop nights and dealing with nightly crises so much of the time that I count myself fortunate if I get to spend any quality time with girls during a shift. I define quality time as 20 to 30 minutes with four girls during an eight-hour day.

If there's a crisis, a big fight, someone going into labor, a suicide attempt, a theft, etc....I may not get any casework done because of all the documentation and paperwork.

Laura is 17 years old. She came in one night about 10:30. She was quiet, courteous, and very worried about the rules. The next night, she asked me to let her into her room. We were standing outside her door.

"I didn't sleep last night," she said.

"Why?" I asked.

"I've been having nightmares."

Her nightmares, she said, were about car accidents and suicide. A few minutes later I was in her room. She wanted me to read some of her poetry. It was printed, full of misspellings, the writing of a 6th grader, but it was real and full of pain.

After awhile, she pointed to some yellow and red pills lined up on her dresser. "Those are the pills I used in my dream when I committed suicide."

I asked her where they came from. She said she didn't remember, only that "they were the pills I used when I meant to commit suicide a month ago."

I took the pills. We talked. We prayed. She said she didn't want to kill herself that night. I had to go. I was with her a long time. It was needed, but I often find myself feeling both fulfilled and guilty about those longer encounters. They are usually the best--the ones from which I develop relationships--but what happens while you hide away is often crazy.

I'm so often jarred away from my most intensive counseling sessions by a mob of girls running down the hall. That usually means a fight. When this happens my heart starts beating fast. I run, and try as calmly as I can with the help of another staff member to break up the argument. An angry adolescent is not usually a good listener--and when they finally fight it means they are at the end of their rope. I remember one night when one girl was standing over another girl saying "I'm going to kill your baby."

Counseling both girls, calming myself down, dealing with the paperwork and the discipline can often take up the rest of the night. The girl who was crying in my arms may be forgotten. Those are the times I feel the worst; I ask myself the question, Who is the neediest? And why should I have to decide?

But we're dealing with a constant flow of different kids with different problems, different pains and different ways of responding to and acting out because of that pain. We have to keep order amidst the chaos and try to help young mothers and babies pull their lives together in spite of it.

I've learned to hold onto the little successes. There aren't very many big ones. If I internalized all the pain and indifference and evil I come in contact with I'd be very angry all the time.

Instead, I try to internalize the love and generosity and beauty--and to hold onto the fact that some of these kids do make it, maybe not in a yuppie's eyes but in my eyes and their eyes.

But it could be so much better if the system were different. What can we do for most of these kids? Even if they went to school, they didn't get an education. They can't make enough money to get an apartment. Welfare is a deadend, a never-ending process--so many of our kids come here because their case was closed due to a missed interview, or because their hotel room has no heat or water, or because their mother is spending their (the girls' and children's) portion of the budget on drugs.

So many of the people in the systems we work with don't care. They treat the girls I care about and know have potential like nothing. What scares me is that so many of them will continue to be treated like that, and so will their children and their children's children.

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TESTIMONY

OF

THE ASSOCIATION OF JUNIOR LEAGUES, INC.

Good Morning. I am Elizabeth T. Dalrymple, immediate past director of the Association of Junior Leagues, Inc. I served as chairman of the Bylaws Committee and as a member of the Joint Field Services, Public Policy and Future Planning Committees. I also am past president of the Junior League of Elmira, New York.

In my community, I am campaign director for the United Way of Chemung County, and immediate past chairman of the board of the United Way of Chemung County. From 1985-1987, I served on the Board of Directors, United Way of New York State. I also am a member of the board of directors of the Southern Tier Economic Growth, a countywide economic development agency.

I am pleased to be here today to present the Association's testimony on welfare reform. The impact of poverty on our young people is of personal interest to me. A number of years ago, I worked as a probation officer. Currently, I am president of the board of Elmira Glove House, a non-profit agency providing foster care services, a group home for adolescents, non-secure detention facilities, and counseling services.

The Association of Junior Leagues is an international organization of women committed to promoting voluntarism and to improving the community through the effective action and leadership of trained volunteers. Today, there are 259 Leagues in the United States representing approximately 165,000 members. The Association's interest in welfare reform is consistent with its active role in assisting needy children and their families at the local, state and national levels and its role as an international women's organization interested in ensuring women's economic progress.

The Association's involvement with efforts to address public policies that affect the lives of children and their families began in 1978 when delegates to the Association's Annual Conference voted to allow the Association to support legislation at the federal level related to children. The vote came as a result of a survey conducted as part of the Association's Child Advocacy Program which began in 1975. The survey identified federal fiscal policies which hampered the ability of poor children and their families to attain stability and economic independence. For example, the survey results determined that federal policies existed which encouraged family break-up by making it easier to place a child in foster care than to invest in preventive programs that would help families to remain together. There also were no federal funds available to encourage adoption of children with special needs. Working with other groups, we were able to obtain passage of the Adoption Assistance and Child Welfare Act (P.L. 96-272) and maintain it against repeated attempts by the Administration to repeal it.

Our more recent advocacy efforts on behalf of children, including our legislative advocacy and involvement in such collaborative projects as Child Watch, have convinced us that more and more women and children are falling through the safety net. Launched in 1981, Child Watch was a collaborative project of the Association and the Children's Defense Fund (CDF), designed to enable trained volunteers in local communities to document the impact of the 1981 federal budget cuts and policy changes on children and their families. Child Watch projects all around the country--29 of which were coordinated by Junior Leagues--gathered data in four areas--Aid to Families With Dependent Children (AFDC), Child Health, Child Welfare, and Child Care. Overall, Child Watch projects found that the Omnibus Budget Reconciliation Act of 1981 (OBRA) had resulted in serious losses for poor children and their families.

We believe that the public policy debates regarding the welfare system and the future of our children cannot ignore the interrelationships among the family structure, our system of education and job training, the workplace, and the need for essential services such as child care and health care. Moreover, parents must recognize their responsibility for their children and make every effort to care for and support them.

Welfare Reform Principles

As a result of our growing concern about the needs of poor families and their children, the Association's Board, at its 1987 winter meeting, voted to support the following principles on welfare reform developed by the Food Research and Action Center (FRAC), and supported by more than 100 other organizations:

1. Persons who work should be rewarded for their efforts. They should receive income sufficient to support a family and to provide access to necessary health care and child care. Barriers to the employment of low income persons should be eliminated.

2. Job opportunities, job counseling, training, education, placement, and supportive services should be widely available as primary tools to prevent and overcome poverty.

3. The Federal government should assure a minimum standard of living--including sufficient food, clothing, shelter and medical care--to those in poverty.

4. Additional investments should be made in programs proved successful in preventing future poverty and its ill effects.

5. Welfare policies should aid both one- and two-parent families in need. Existing child support law should be more effectively enforced.

6. In achieving the objectives above, the Federal government should maintain a strong presence, setting minimum benefit standards, providing adequate resources for effective programs, and supporting appropriate and effective state and local initiatives.

Child Support

It is a basic premise of our society that parents ought to provide for their children to the best of their ability. Yet, the record with respect to child support payments from absentee parents, in general, is poor. It has been clearly documented that single parent, female-headed households are more likely to be poor than the population as a whole and that one reason for this poverty is that the children frequently receive little or no support from the absent father. Only 58 percent of divorced women with children are awarded child support. Further, a Bureau of the Census report, "Women in the American Economy" (November 1986) states that only two million of the four million women owed child support in 1983 were paid in full. About one million women received no child support payments; among black women, 31 percent received no payments, while 23 percent of white women received none.

However, aggregate national statistics, alone, do not adequately convey the economic impact on individual children that the payment of inadequate or no child support has. The failure of an absentee parent to pay child support is a major reason that children end up on public assistance.

Passage of the Child Support Enforcement Amendments of 1984 was a move toward addressing the lack of adequate enforcement mechanisms for ensuring child support payments from absentee parents. The Association joined with other advocates in urging passage of this landmark legislation. Components of the Child Support Enforcement Amendments of 1984 include: wage withholding for all parents one month in arrears; federal and, where applicable, state income tax refund intercept; release of information about child support arrearages to credit bureaus; and procedures for imposing liens against real and personal property in order to collect past due support. The legislation also required each state to establish a commission to study child support problems in the state, and the Secretary of Health and Human Services (HHS) was authorized to provide funds for special projects to improve interstate enforcement.

Although there has been progress since 1984, the changes required by the amendments have yet to be fully implemented. The case of Ohio, for example, documents the need for continued vigilance in improving the child support system. Despite passage of the federal legislation in 1984, Ohio's child support system remains one of the weakest in the country. In 1985, Ohio collected less than $90 million in child support in contrast to over $300 million collected in each of its neighboring states--Michigan and Pennsylvania--which have nearly equivalent populations.

The Ohio State Public Affairs Committee (SPAC), a statewide advocacy coalition representing the eight Junior Leagues in Ohio, has advocated passage of state legislation designed to improve the procedures for imposing liens against real or personal property for any persons in arrears over 30 days. In addition to its advocacy efforts, the Ohio SPAC has teamed up with the Ohio office of the Children's Defense Fund to put together a booklet, entitled "Through the Eyes of Ohio's Children." The booklet, completed last month, is a legislative fact book on children in Ohio, including a county by county breakdown of the rates of poverty, teen pregnancy and unpaid child support. The booklet reports that in September, 1985, Ohio had 191,345 single-parent families receiving AFDC; only 13 percent of these families received any support from absent parents, and those who did, received an average of only $47 a month. Only 44 percent of these single parent AFDC families had court orders for child support.

The SPAC and Children's Defense Fund in Ohio documented two explanations for the poor collection of child support payments: the low rate of paternity establishments and the inadequate number of court orders for child support. In 1985, over 35,000 children were born out-of-wedlock, representing 21.8 percent of all births in Ohio. Of these 35,000 children, paternity was established in only 9,300 cases. The Ohio SPAC concluded that the failure of an absentee parent to pay child support is one of the principle reasons Ohio's children end up on public assistance. Clearly, in Ohio as elsewhere, the timely receipt of adequate child support payments would improve the economic status of children and ease the financial burdens of their mothers. In many cases, reliance on public assistance would be avoided.

The Child Support Enforcement Amendments of 1984 have resulted in some improvements in Ohio. The 1984 federal legislation was particularly helpful in providing instructions to the judiciary system with respect to wage withholding for persons in arrears--such collections have doubled since 1984. But, what is now needed is a strengthening and clarifying of the administrative requirements for the child support enforcement system. For example, there are 30 day limits for processesing food stamp and AFDC applications. If the state does not meet the 30 day requirement the state can be penalized. There are no such incentives for the timely implementation of child support awards.

Improving the enforcement mechanisms for the child support system should be a high priority of the 100th Congress. However, improving the child support system alone will not solve all the problems of parents supporting their children. In some cases, the children's parents may need assistance, and may need the opportunity to gain the education and training necessary to qualify for jobs providing wages adequate for supporting their families.

The relationship between the low rate of child support payments and the need for educational and vocational opportunities for young parents, particularly teens, is highlighted in a recent Children's Defense Fund report, "Declining Earnings of Young Men: Their Relation to Poverty, Teen Pregnancy, and Family Formation." One reason that young fathers do not provide adequate child support is that the earnings of young men have been declining; between 1973 and 1984, the average real annual earnings among males ages 20 through 24 fell by nearly 30 percent, from $11,572 to $8,072 (in 1984 dollars). Young Black men suffered the most severe drop--nearly 50 percent. Not surprisingly, losses have been greatest among those with the lowest levels of formal educational attainment. This decline in earnings contributes to the growing inability of young men to support their families. First, real earnings losses among young men reduce the incentives for them to marry and form two-parent families. Second, low wages among young men increase the likelihood that young families--whether headed by a married couple or a single parent--will live in poverty. We believe that welfare reform also must develop programs and policies to improve the basic skills of and to provide adequate job training opportunities for both young fathers and young mothers.

AFDC-UP

While the majority of families on welfare today are headed by single women, it is important not to overlook the fact that substantial numbers of poor families have two parents. The AFDC-Unemployed Parent program (AFDC-UP) is an option under AFDC that allows states to extend eligibility for AFDC, and therefore Medicaid, to two-parent families with children in which the primary wage earner is unemployed. In the 25 states without AFDC-UP, many unemployed parents, predominantly fathers, may be forced to choose between trying to keep the family together and deserting so that their children can receive money for food and shelter and have their Medicaid coverage continued. We believe it is shortsighted to support policies which encourage families to break up. Two-parent families, in general, can better build a solid economic base than single parent families. Also, it is wrong to deny poor children access to health care simply because they live with both their parents.

Even in states that do provide AFDC-UP, the eligibility requirements make it difficult for most families to qualify. If a family's breadwinner works more than 99 hours a month, the family is automatically ineligible for AFDC-UP, no matter how low its income. Further, AFDC-UP regulations require that the breadwinner must have had recent work experience and have received unemployment insurance in the past year or have worked six or more quarters during a 13-quarter period. Poor families who have not been able to get into the work force are excluded from AFDC-UP altogether. (The sole exception is two-parent families where one parent is incapacitated.)

The AFDC-UP program was designed to help two-parent families faced with a temporarily difficult period in their economic lives. Families living in the farm belt offer one example of what can happen to two-parent families when faced with major economic dislocations. Without the AFDC-UP program these families find themselves at a tremendous disadvantage. For instance, in Missouri approximately 87 percent of AFDC-UP families reside in rural areas; (the AFDC enrollment in contrast, is basically evenly divided between the state's urban and rural communities.) Further, it has been the experience in Missouri that 70 percent of AFDC-UP recipients remain on the rolls less than one year as compared with an average length of stay of 17 months for AFDC recipients. Despite evidence showing that AFDC-UP helps keep families together, the fact that states are not mandated to provide it can make the program vulnerable to efforts to undermine it. In fact, in Missouri in 1986, the Junior Leagues of Kansas City, St. Joseph and St. Louis teamed up with Citizens for Missouri's Children, a statewide child advocacy organization, to successfully defeat legislation which would have eliminated Missouri's AFDC-UP program.

Changes in the Work Disregard

In addition to the need for AFDC-UP in all states, it is apparent that many of the AFDC regulations often serve as work disincentives. Prior to OBRA 1981, a working parent whose earned income was low enough could still qualify for supplemental AFDC benefits. As an incentive to obtain work, each month the parent was able to keep the first $30 and one-third of the remainder of earnings. In 1981, the "$30 and one-third" income disregard was limited to four months.

In reporting on the limits on the "$30 and 1/3 work incentive" disregard, the Junior League of Salt Lake City's Child Watch report concluded, "Everyone we interviewed considered this four month limit unrealistic and counter productive. These new regulations have caused many parents to quit their jobs and return to full assistance."

A Congressional Research Services report (IB 87007) documents the employment disincentive posed by the four month limit to the income disregard. The report states that, in 1979, 14.1 percent of all AFDC mothers were working, whereas, by 1983, the percentage had dropped to 5.3 percent. Fortunately, in 1984, the $30 disregard was extended for an additional eight months; however, the limit on the one-third income disregard, remains at four months. We are pleased that the House is exploring provisions to strengthen the AFDC income disregard and we hope the Senate also will explore ways to minimize work disincentives in its welfare reform proposals.

Child Care Issues

Welfare reform also must address the need to provide good quality child care. It is important to note, however, that reforms made by the 1981 OBRA curtailed the supply of--and access to--child care for low income families. The impact of these changes has been documented in a number of communities by Child Watch projects. First, the cuts in the Title XX Social Services Block Grant made by OBRA 1981 resulted in a decrease in the number of subsidized child care slots in many communities. Although Congress restored $200 million in funding beginning in FY 1984, the program still is funded at $600 million below the level of $3.3 billion established for it by P.L. 96-272. A fact sheet prepared by Generations United, an intergenerational coalition to which the Association belongs, points out that the overall expenditures of states for child care in FY 1986, when inflation is factored in, are approximately 12 percent below FY 1981.

In 29 states the Title XX-funded portion of child care was less in FY 1986 than in FY 1981. One of these states is Iowa. In 1983, the Junior League of Des Moines' Child Watch project reported that many families in Polk County were negatively affected by the Title XX cuts. The report concludes, "At no point in the Child Watch interviews were there words of encouragement expressed regarding adequately funded innovative programming which will break the cycle of generational poverty."

As a result of the 1981 cuts in Title XX, many states are increasingly relying on the AFDC Title IV-A child care disregard which OBRA capped at $160 a month, an amount insufficient to pay for good child care. Before OBRA, a family receiving a child care subsidy from a government program could deduct all of its child care costs and reasonable work expenses, before its AFDC benefit level was determined. As a result of OBRA 1981, parents working full time can deduct actual child care expenses only up to $160 a month per child and other work expenses up to $75 per month. Furthermore, the disregard, unlike Title XX, does not require that the child care it funds meet relevant state or local licensing standards.

The Junior League of Des Moines' Child Watch project found that the biggest problem faced by the community's child care providers resulted from this change in the child care disregard. The report also cited cases of individuals who "gave up" and remained on public assistance after being bounced from WIN worker (of the federal Work Incentive training and work placement program) to the Iowa Employment Training Program and back again in an attempt to qualify for the disregard.

The average cost for child care in Des Moines, according to the Polk County Child Care Resource and Referral Center, is $200 per child per month. With the child care disregard limited to $160 monthly, the amount taken from monthly income by monthly child care expenses is large --and usually prohibitive for low-income families. Moreover, the retrospective accounting method established by OBRA makes it difficult, if not impossible, for most AFDC families to use the disregard on a continuing basis, thus compounding a parent's difficulties in keeping a job. As a result of its Child Watch findings, the Junior League of Des Moines in 1983 launched a collaborative project entitled, Child Care Subsidy and Assistance, which, using a combination of private and public funding, provides subsidies to families who cannot afford the cost of child care.

The failure to provide child care for parents who need job training deprives many parents of the opportunity to obtain the skills necessary to become economically independent. Sixty of the 300 families receiving a child care subsidy from the Subsidy and Assistance program, between 1984 and 1986, were single mothers who qualified for welfare but requested the subsidy in order to obtain job training. One mother who received a subsidy wrote to the Governor of Iowa explaining her frustration: "I do not want to give up my last opportunity to get my education. If I am unable to continue getting financial aid for any child care I will have no other alternative but to give up all my plans and go back on AFDC."

The need for child care to enable women to become independent of welfare also is illustrated by the findings of the Florida Center for Children and Youth, a state-based child advocacy organization which was founded by a coalition of Florida groups including the Junior Leagues, the League of Women Voters and the National Council of Jewish Women. The Center's current president, Cynthia Brubaker, is a past Chairman of the Public Policy Committee of the Board of the Association of Junior Leagues.

Currently, 22,000 children who are eligible for subsidized child care are on waiting lists in Florida and the waiting lists grow by 6200 children annually. However, the state's 1987 budget provides funds only to increase available subsidized care by 2000 slots--falling far short of the rate at which the waiting list is growing. The lack of child care has undercut the Public Assistance Productivity Act (PAPA) in Florida, a job training and placement program for the state's AFDC recipients. The children of parents participating in PAPA are third on the list of children who have priority access to subsidized child care--after children who are known victims of abuse and neglect and children who are suspected to be abuse and neglect victims. The Florida Center estimates that approximately 1800 children comprise the first two priority groupings, leaving little room for children whose parents are ready to leave the PAPA program and obtain jobs.

The critical need for child care for women moving into the paid labor force and off of AFDC was tragically illustrated earlier this year in Miami. An AFDC mother with two children ages three and two had been waiting for over a year for child care for her children. When she did obtain a job at a restaurant, she had no choice but to leave her children alone locked in her home. When she returned to check on her children, she discovered that they had climbed into a dryer and had been burned to death.

Medicaid and Infant Mortality

Adequate health care also is an issue which affects the ability of poor families to gain economic stability. Because of the Association's long-standing support of child health projects, we have continually supported efforts to expand Medicaid coverage for poor women and children. We are pleased that the 99th Congress provided states with the opportunity to expand Medicaid to more needy women and children. However, the infant mortality rates in this country stand as a national disgrace: the Children's Defense Fund reports that the United States ties for last place among 20 industrialized nations.

Julia Taylor, former first vice president of the Association, served on the Southern Regional Task Force on Infant Mortality, which spearheaded the efforts to expand Medicaid coverage for poor pregnant women, new mothers and young children. The Task Force reports that the factor most commonly associated with the death or disability of newborns is low birth weight. A low birth weight baby is more likely to need costly special care at birth and is 40 times more likely to die during the first month of life than are babies who weigh more. Additionally, low birth weight babies are twice as likely to suffer more handicaps throughout their lifetime. The Southern Regional Task Force on Infant Mortality, as well as a host of studies from advocacy groups and the medical community, conclude that modest investments in preventive health measures can improve the well-being of mothers and babies and help forestall far more costly after-the-fact medical care.

In addition to the lack of affordable quality child care, the loss of Medicaid for their children is a clearly documented barrier to the employment of welfare parents. The "Catch-22" for welfare parents is that if they accept a job and work over 100 hours in a month, they lose their access to Medicaid-paid health care for their children. Because many welfare recipients often can only find jobs which provide no health care benefits, many parents feel that they cannot afford to accept a job because they would be jeopardizing the health of their children.

The importance of maintaining health care coverage for children was documented by the Junior League of Salt Lake City's Child Watch report. As one woman noted, "You can't afford to work. If you really care about your kids, you'll do anything to keep Medicaid." Such findings indicate that the present welfare system often discourages the women who want to work and be independent. Rather than encouraging and supporting their efforts to move off of welfare--the system appears to encourage long-term dependency.

Adolescent Pregnancy

The relationship between out-of-wedlock, adolescent childbearing and long-term welfare dependency is well-documented. In fact, while the birth rate among adolescents is declining, the percentages of teenagers bearing children out-of-wedlock is rising. Lacking skills, alarming numbers of these teenage mothers and their children have no recourse but to become dependent on welfare. Recognizing the growing problem of adolescent pregnancy, Junior Leagues and the Association have become involved in a broad range of programmatic and policy initiatives designed to prevent adolescent childbearing and to provide support to those teenagers who already are parents.

In 1984, in collaboration with the March of Dimes, the National Council of Negro Women, the National Coalition of 100 Black Women and the Children's Defense Fund, the Association began the Adolescent Pregnancy Child Watch (APCW) Program. Modeled on the original Child Watch program, APCW is designed to enable local community collaborations to gather data on the impact of adolescent pregnancy based on local findings. Based on its findings, each APCW community collaboration develops a set of recommendations. The findings of many APCW sites underscore the need for essential educational, vocational and child care supports to those teenagers who already are parents in order to interrupt the cycle of long-term welfare dependency as well as to provide incentives for teenagers to delay child bearing. Good education and job training are needed to give teenagers a vision of life free of welfare and the ability to become self-sufficient.

A sampling of recommendations from APCW projects coordinated by Junior Leagues in High Point, North Carolina, Montgomery County, Maryland, Philadelphia and Los Angeles County underscore the need for enhanced job training opportunities, expanded day care programs, and efforts to encourage teen parents to remain in or return to school. For example, the High Point report cites the need for "...better communication and follow-up between counseling, health, education, and income support systems via a multi-service comprehensive program which integrates all services needed by the pregnant and parenting adolescent." Further, the High Point report states that "Adequate day care needs to be provided for the teen mother so she can continue her education or job training." In Montgomery County, Maryland, APCW volunteers found that "A pregnant teen who lacks at least a high school education and/or basic job skills faces life on welfare." The report states that "Their (adolescents') pride and motivation need to be fostered through support systems and incentive-based programs."

In Los Angeles County, the findings were similar. The report recommends that teen mothers need to "attain economic self sufficiency to complete their education and acquire useful occupational skills.", and points out that "Available research tells us that if these goals are accomplished then the long range outlook for a teen mother and her child is most positive, yet most teen mothers leave school. Key support services to make school attendance possible are on-campus child care and transportation. Up-to-date vocational preparation should be available as an adjunct to high school studies or as post-high school option."

The Philadelphia APCW project makes similar recommendations and urges that "a special type of education needs to be provided that includes not only the normal academic program but provides training on basic life skills, parenting skills, nutrition and job skills. The goal should be to provide every pregnant teen who desires to further her education, the ability to do so."

Homelessness

Food, clothing, health care and shelter are fundamental needs and the benefits received by poor families must be adequate in order to provide them. Clearly, the fact that benefits are not always adequate is exemplified by the growing number of homeless families. With declining benefits and rising rents, many mothers have been forced to choose between feeding their children and housing them. The short-term implications for families living on the streets and in welfare hotels are deplorable; the long-term implications for the children being raised without adequate shelter, nutrition, security, and schooling are devastating.

To underscore their concern about homelessness, Junior League delegates, at the Association's 1986 Annual Conference, adopted the following resolution:

> Whereas, There remains a critical problem of the homeless and hungry in our nations which has spared no region; and
>
> Whereas, Advocating for short term needs is vital and necessary, broader based solutions are needed to bring long-term results;
>
> Resolved, That the Association and member Leagues underscore the commitment to the issues of the homeless and hungry;
>
> Resolved, That objectives should include but not be limited to:
>
> - Member Leagues sharing in a Program Exchange
> - Advocacy efforts at the local, state and national levels by the Association member Leagues and SPAC
> - Development of a document describing service delivery and advocacy options.

In response to this resolution, the Association will hold a public policy issues forum, "The New Homeless: Women, Children, and Families", October 5-7, 1987, at the Wingspread Conference Center in Racine, Wisconsin. It is our hope that the issues forum participants will generate a set of public policy reforms or "next steps" that individuals, organizations and legislators can take to address the problem of homelessness at the local, state and national level.

Two of the conference key-note speakers will be Professors Ellen Bassuk and Kay Young McChesney, each of whom currently directs a major research project on the issue of homeless women and children. The research of Dr. Ellen Bassuk of the Harvard Medical School attests to the gravity of the fact that increasing numbers of young children lack homes and are living in absolute poverty during their formative years. Intensive interviews and tests document that a majority of children living in Massachusetts' shelters are suffering developmental delays, severe anxiety and depression, and learning difficulties. Many preschoolers have never known the comforts of a stable home; almost half have moved 5 to 14 times since birth.

Director of the Homeless Families Project at the University of Southern California, Dr. Kay Young McChesney found four distinct groups of families who are increasingly becoming homeless in the Los Angeles area: (1) unemployed couples, generally low-wage earners who lost their industrial or manufacturing jobs and cannot find jobs for which they qualify; (2) mothers leaving relationships, often due to divorce, desertion or violence; (3) AFDC mothers who, met with the "squeeze", could not afford to stay in their homes; and (4) mothers who had been homeless teens, often due to sexual abuse at home or as a result of "aging-out" of foster care.

Dr. McChesney found that in Los Angeles the largest percentage of homeless families are AFDC mothers and their children. The most unexpected group of homeless families are those headed by young women who "aged out" of foster care and teen runaways who have become homeless mothers. These findings have important implications for reform. For example, the need for implementation of the Independent Living Initiative, passed by the 99th Congress, is shown by the move of children from foster care to the streets. Clearly, a program to help these young people build a bridge to independence is urgently needed. We applaud the leadership of Senator Moynihan in working for passage of the Independent Living Initiative.

More than 50 Junior Leagues are involved with projects to help the homeless and hungry in their communities. For example, the Junior League of Atlanta provides a day care shelter for the children of homeless women coupled with a work-adjustment program and parenting and household management courses for the mothers. The need for this program is highlighted by the fact that over a period of 210 days in 1986/87, a total of 349 children had to be turned away from the day shelter because the shelter had reached capacity. The Atlanta Junior League also works with the Housing Authority of Atlanta to assist these homeless families to find housing. This program has a remarkable record; of the 185 families served over a period of six months, 115 are no longer homeless.

In collaboration with the Salvation Army, the Junior League of St. Louis recently opened the Family Center, providing 30 beds to homeless families. The Family Center is the only shelter in the county which provides shelter to all types of homeless families, including those with two-parents, teens, and mothers with infants. Further, unlike most shelters, whole families are kept together while in residence. Shelter is provided for up to 60 days and includes casework services, individual and family counseling, child care, and mandatory training sessions on family management, employment skills, nutrition and landlord/tenant rights.

In the Spring of 1985, the Junior League of the City of New York formed a Shelter Task Force with the long range goal to renovate city dwellings to become transitional housing for 34 homeless families. In collaboration with the Children's Aid Society, the Shelter Task Force project will rehabilitate three contiguous buildings on West 118th Street in Manhattan. The project received approval from the Board of Estimate last December; it is hoped that the facility will open late in 1988. The transitional housing is located directly across from the Children's Aid Society's Dunlevy/Milbank Center which provides social, recreational, health and mental health sciences, and a pregnancy prevention program. For the residents of the transitional housing, the center also will provide day care and babysitting services, a permanent housing relocation project, and tutorial assistance for children and their parents.

While waiting for the shelter to open its doors, the New York City League also has developed a training module to enable volunteers to work effectively with multi-problem families. To date, approximately 40 New York Junior League members have received training from the Columbia University School of Social Work on such topics as the ramifications of homelessness and the needs of homeless people, interviewing techniques, listening skills and diagnostic assessment. League members currently volunteer at the Children's Aid Society's Rhinelander Center on East 88th Street assisting homeless women from the Latham Hotel. The volunteers assist with group counseling sessions, one-to-one supportive counseling, job skills sessions, and homemaking sessions, including nutrition education.

We believe that the federal government must assist in developing programs that will help all homeless children and their families to build a solid economic base by providing housing assistance, job training, jobs, child care and other support services to help them move towards independence.

Summary

We must recognize that those families currently relying on welfare benefits have diverse needs. Many need only to receive the child support due them, while others need only a job providing an income sufficient to support their families. Many others, particularly teens, need to finish their education and obtain job training before qualifying for work. A minority, specifically the homeless, require a comprehensive array of support services before they can be ready for job training. All of these families must have access to child care and health care, whether at home, in training, or working, until financially independent.

We applaud this Subcommittee's work to develop a welfare system that will address the needs of families during the last quarter of the 20th Century, and we applaud Chairman Moynihan's recognition that children are our nation's future. We believe that the welfare system needs to be based on the recognition that the majority of both parents now work and that, given the opportunity, most Americans want to work and to support their children. For those parents with jobs who aren't meeting their responsibility to support their children, it is essential that child support enforcement mechanisms be strengthened. However, for other parents the desire to support their children exists but the means, e.g. jobs and access to jobs, do not. These parents cannot work unless jobs are available. Moreover, they cannot support their families without adequate incomes, nor can they qualify for jobs that will lead them off the welfare rolls without proper training or education.

Medical care also must be provided until parents have achieved the economic independence to enable them to pay for health coverage, and high quality affordable and accessible child care must be provided if the parents of young children are to be required or encouraged to work. Currently, limited funds, plus the lack of adequate standards for the majority of child care, results in low quality care. This is especially true for infant care, the most limited and costly form of care. Moreover, the shortage of infant care is exacerbated by the absence of a national parental leave policy.

Thank you for the opportunity to testify before you today. We look forward to continuing to work with you to achieve effective welfare reform in America.

Elizabeth T. Dalrymple
Immediate Past Director
Association of Junior Leagues, Inc.

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Statement of
The American Jewish Committee

The American Jewish Committee is very pleased to have the opportunity to testify on the critical national policy issue of welfare. We applaud your efforts, Sen. Moynihan, and those of your colleagues to solicit a variety of views on how to remedy the inadequacies of our existing welfare system.

The AJC strongly believes that such Congressional attention to this issue is long overdue. We are encouraged that the kind of bi-partisan cooperation on possible policy approaches needed to forge change appears to be emerging both within the Congress and among interested groups. The AJC is deeply committed to playing an active role in the public education and advocacy process that will be needed to bring about welfare reform.

The recommendations that we will offer today are rooted in AJC's Statement on Economic Policy and the Poor, adopted at AJC's 1986 Annual Meeting. That statement is the culmination of a year-long study process undertaken by a special Task Force on Social Policy. The Task Force met in a number of cities around the country, heard expert testimony from a variety of perspectives, commissioned background papers on both public policy issues and Jewish teachings and tradition on social policy, and formulated the position statement ultimately adopted by AJC as the basis for our ongoing work. The policy statement and background papers have compiled into a publication, The Poor Among Us: Jewish Tradition and Social Policy, that has been widely circulated to all members of Congress and to individuals and groups concerned about the issue.

We undertook this effort for several important reasons. First, as an organization dedicated to promoting economic and social justice, AJC believes that the nation must vigorously attack the problem of poverty. Census Bureau data indicate that poverty remains close to its highest level in two decades, despite a slight drop in 1985. A disproportionate number of the poor continue to be minorities or those who live in female-headed households. And perhaps most troubling is that nearly one-fourth of the nation's children under six now live in poverty.

Second, we have been concerned about the polarization of the debate over social policy--a polarization that has paralyzed consensus building around constructive policy approaches. We hope that the principles and guidelines AJC has arrived at can help break that impasse.

Third, we believe that religious teachings have a special role to play in advancing attention to social policy issues. Like the important discussion sparked by the Catholic Bishops' pastoral letter, AJC's The Poor Among Us is intended not only to stimulate awareness within the Jewish community, but also to contribute to the national debate on social policy.

Several guiding principles shape the AJC's approach to formulating social policy. We would like to touch on those principles briefly before discussing their specific application to welfare reform and the criteria that we believe ought to be applied to any proposed legislative initiatives.

Approaches to social policy must balance the fundamental American principles of communal responsibility to provide for others and individual responsibility to provide for oneself. To successfully balance the dynamic tension between these principles, approaches must stress both the proper role of government in providing adequate support for those who cannot support themselves, and the need for individuals who can support themselves to attain economic self-sufficiency.

Other basic principles that AJC espouses are the need to examine costs and benefits of specific programs, the need to recognize that the poverty population is diverse, the need to identify appropriate roles for state and local governments and mediating institutions, and the need to evaluate the efficacy of all social policy programs.

Finally, other principles emerged through our study of Jewish values in dealing with economic need. Jewish tradition stresses preventative approaches, including employment and training; the responsibility of each person and the larger community to aid the poor; the responsibility of the able poor to strive for economic-self-sufficiency; the responsibility of the community to provide generously for those who cannot support themselves; and the need for pragmatic rather than ideological approaches to social policy.

How then, do these principles apply to our views on welfare reform? We start from the premise that the federal government must take primary responsibility for welfare programs, and that those programs must be made more adequate. Benefit levels should be brought closer to the poverty line and should be made more equitable and consistent across state lines. The current patchwork quilt of benefits is simply unfair. While some states provide much more generous assistance than others, most provide levels at far below the poverty line. Moreover, the real value of A.F.D.C. fell more than 30% in the median state between 1970 and 1985. Another long-overdue reform is mandated coverage of intact families in which both parents are unemployed. Such families currently are eligible in only about half the states. Failure to provide such coverage is a disincentive to maintaining families--a goal that should underline all social policy. Congress also should ease the "loo hour rule" that disqualifies a family from receiving A.F.D.C. if the principal wage-earner works more than 100 hours a month, even when that level of employment leaves the family below A.F.D.C. income limits. Such a rule is unfair and discourages family stability, especially given that a single-parent family with same income, or a two-parent family with the same income but working fewer hours, is eligible for A. F.D.C. benefits.

Changes in another inequitable facet of the welfare system would reinforce work incentives. Currently A.F.D.C. benefits are reduced one dollar for each dollar a family receives in an Earned Income Tax Credit (EITC). Thus the EITC, intended to offset some of the tax burden on low-income working families, in effect has no value for A.F.D.C. families, who can end up with a marginal tax rate of more than 100%. For each additional dollar earned by A.F.D.C. mothers, their benefits drop by a dollar, while their payroll taxes increase without any EITC to offset them. Not counting the earned income tax credit against A.F.D.C. benefits would reduce the marginal tax rate and would reinforce employment incentives by increasing the income gains attained through work.

AJC further recommends that one means of achieving more equitable benefit levels in a period of diminished resources would be through a transfer of greater responsibility to the federal government in exchange for states' assumption of a greater share of other programs, such as road maintenance, waste water treatment and smaller social services.

While much attention is appropriately being given to job and training programs that would move recipients out of welfare dependency, it is simultaneously important to stress that many welfare recipients--the elderly, disabled, mothers with infant children--will be unable or should not be expected to work. Still others will need a longer transition period to move successfully out of welfare and onto employment. This may be especially true for recipients in long-term dependency who may never have held a job, may lack basic skills or may have other intractable problems. Thus it is critical that, as attention shifts to employment and training programs, attention to the pressing need for adequate benefit levels must not be neglected.

The AJC fully supports mandatory or voluntary training and employment program for A.F.D.C. recipients who can work, in order to assist them in achieving economic self-sufficiency. Much creative initiative already has been demonstrated by the states in this area, including programs such as Massachusetts ET, California's GAIN, and New Jersey's REACH, a new program recently announced by Gov. Thomas Kean. The National Governors' Association just recently has endorsed an approach calling for mandatory, state-designed employment and training programs for recipients, combined with binding contractual agreements between the government and client. Clearly such a comprehensive program cannot be funded by the states alone and would require additional federal fiscal resources either through a substantial increase in the Work Incentive Program, which has financed many of the state welfare-to-work programs, or through new legislative initiatives.

AJC does not support one type of approach, mandatory or voluntary, over the other, but rather suggests that flexibility is warranted. We are hopeful that disagreements among those who argue that work programs must be mandatory, and those who argue that mandatory programs are inherently punitive will not derail a consensus on the widely-shared goal of promoting economic self-sufficiency. There are some signs that this may be achievable. As important component of the governors' plan is the concept of a mutually binding contractual agreement in which the government agrees to provide vital support services and the client agrees to strive for self sufficiency. This concept of a mutual contractual agreement also has been emphasized in two key sets of recently-released policy recommendations, One Child in four, the American Public Welfare Association's recommendations on dealing with families and children at risk, and A New Social Contract, the report of Gov. Cuomo's Task Force on Poverty and Welfare.

The role of support services is absolutely critical to the potential success of programs geared to moving welfare recipients into employment. AJC strongly supports the provision of needed services that would enable single heads of household--most of whom are women--to care for their children. Employment and training opportunities hold out little incentive to an A.F.D.C. recipient who has no child care. Similarly, the loss of Medicaid benefits may place a head of household who moves from welfare into a low-paying job without health benefits in more dire economic straits than she previously faced. Therefore, AJC is pleased that the governors' plan places an emphasis on government provision of transitional child care, medical insurance and other support services as part of its proposed package. On the other hand, we are disappointed that the governors have agreed to drop their proposal for a national minimum benefit level in exchange for Administration support. We believe that Congress must deal both with jobs and benefit levels in order to achieve meaningful welfare reform.

While AJC advocates that primary responsibility for welfare should rest at the federal level, we also believe that specific non-cash programs such as job training and child care should, where feasible, be operated at the local level. Mediating institutions that are based in the community, such as churches, neighborhood organizations, ethnic groups and businesses, should be utilized to put in place the infrastructure needed to make welfare-to-work programs viable.

Any discussion of welfare must, as we have indicated, take into account the diversity of the welfare population. Data from the University of Michigan's Institute for Social Research indicate that while many individuals at some point experienced short-term poverty, relatively few experienced long-term need. Most of those mired in long-term poverty (62%) were Black; and most (61%) live in female-headed households.

Similarly, the A.F.D.C. population is more fluid than the stereotype often automatically associated with it. Many A.F.D.C. recipients suffer only short-term dependency. Over half of all recipients move off the roles within two years; only 16% of recipients remain on welfare for eight years or more.

Based on the long-term multi-state evaluations carried out by the Manpower Research Demonstration Corporation, we know something about the potential efficacy of work programs for A.F.D.C. recipients. For one thing, the programs made the most difference among women who otherwise were likely to be on welfare the longest--those, for example, who had never previously held a job. The program evaluations also indicated that increased pressure to move recipients off the rolls may not necessarily accomplish more. Therefore, in fashioning and evaluating welfare to work programs, it will be critical to scrutinize those programs carefully. Many short-term recipients may be able to move off welfare on their own. Others, for whom assistance will be at once more difficult, more expensive and more important, will pose more of a challenge. Again, AJC reiterates that work requirements are not a panacea. Without simultaneously providing both flexibility and the infrastructure of support services needed to make work and training programs viable, they cannot work effectively.

Finally, the AJC believes that the federal government must also focus on those family policy issues that have direct relevance to welfare. Currently AJC is undertaking a comprehensive study of family policy, through a special Task Force that is examining the role of both communal institutions and government policy in maintaining and strengthening families. Ultimately the Task Force will be formulating a policy statement complementary to AJC's social policy statement.

One area that AJC is studying is child support enforcement. We believe that existing child support requirements should be more vigorously enforced. But such requirements will have a minimal impact on increasing the economic security of children whose absent fathers are themselves poor or unemployed. Therefore we believe that careful consideration should be given to innovative programs such as the experimental child support enforcement program being implemented in Wisconsin. Similar recommendations that would treat children essentially as beneficiaries entitled to a guaranteed minimum support level rather than stigmatizing them as welfare recipients also have been set forth in the recommendations of the American Public Welfare Association and Gov. Cuomo's Task Force on Poverty and Welfare.

Another area of concern for us is teen-age pregnancy. The statistics on the number of teen-age mothers are alarming. Teen mothers are more likely than others to drop out of school, become dependent on welfare, and to have difficulties escaping out of poverty.

Studies comparing the U.S. with other developed countries indicate that the higher rate of pregnancy in the U.S. is not related to a difference in the level of sexual activity, but rather to differences in societal attitudes and policies regarding sex education and the availability of contraception. Clearly these are important components in reducing the epidemic of teen-age pregnancy. Improving the self-esteem and skills of teen-agers is an equally important part of a preventative strategy, as is more successful integration of our nation's youth into the American family system. We believe that preventative strategies that slight the complex but important issue of values will be inadequate to the task of reducing teen-age pregnancy.

Finally, when teen-age girls do have babies, then it is critical to encourage them to complete their education.

Addressing all of the problems associated with teen-age pregnancy will require cooperative efforts by government, educational systems and communal institutions.

To conclude our testimony, we would like to state the criteria that AJC has arrived at as a basis for assessing proposals aimed at alleviating social need. We believe that these criteria are directly relevant to the deliberations about social programs that you are undertaking.

-- Do they provide those who need assistance with adequate resources to meet their basic needs?

-- Do they have features that work toward the prevention of poverty as well as toward short-term relief?

-- Do they encourage those who can work to assume self-support through programs such as job training, employment services and quality child care?

-- Do they integrate the support networks of community, family and neighborhood sufficiently into their programs?

-- Are they adequately attuned to the appropriate roles that should be played by the Federal government, state and local authorities, private agencies and business?

-- Do they expend public dollars in the most efficient and effective way to achieve desired results?

-- Are provisions for continuous evaluation built into program implementation?

-- Do they respond adequately to the needs of specific populations in poverty, such as the elderly, single-parents, children, mentally ill and people able to work?

-- Do the programs emphasize as much as possible feelings of self-worth and dignity among the poor?

-- Do they in general, embody the core values of social and individual responsibility that must inform all of our efforts on social policy?

Already the Congress has made significant strides in addressing many of the critical welfare reform issues under discussion. We are pleased that the Senate already has passed S. 514, introduced by Sen. Edward Kennedy, that authorizes bonuses to states successful in training long-term welfare recipients and finding them jobs. We look forward, Sen. Moynihan, to the introduction of your proposed comprehensive legislation that we understand will address benefit, employment and child support issues.

The AJC also believes that the Family Welfare Reform Act of 1987 (HR 1720), sponsored by Rep. Harold Ford and currently pending in the House Ways and Means Committee, represents substantial positive movement toward alleviating inadequacies in the current system and achieving welfare reform. Also, the debate over HR 30, the Fair Work Opportunity Act, introduced by Rep. Augustus Hawkins, provides a useful forum for addressing key employment and training issues--how to make such programs for welfare recipients effective, accountable, equitable, well-targeted, and as well-coordinated with existing resources as possible.

We fully recognize that moving beyond the outlines of broad consensus to enacting legislation remains a formidable task. Nevertheless, we are encouraged at the attention to these thoughtful legislative vehicles.

Finally, as critical and pressing as the problem of welfare reform is, we also urge you to place it in the context of broad social policy problems -- our troubling national poverty and unemployment rates. Studies show that, while poverty among female-headed households persists as a serious concern, the working poor currently constitute the fastest growing segment of the poor. A report of the Congressional Joint Economic Committee reported that high unemployment and falling wages were the factors most responsible for the seven million increase in the poor since 1979. We should not lose sight of the need to respond to the full range of the nation's poverty population and problems. The economic dislocation faced by many Americans, including displaced workers from ailing smokestack industries and families in the nation's farm belt, must be addressed.

While the apparent consensus developing around the need for welfare reform is welcome and encouraging, there is no reason to assume easy or early agreement on the specifics of any meaningful programs. There is nothing really new in the now off-repeated principle of helping welfare recipients get off the welfare rolls and on to American payrolls, preferable private industry payrolls.

This approach has been recognized national policy at least since the 1964 "War on Poverty," when the very title of the legislation, "Economic Opportunity Act," was selected to reflect this goal. A wide range of specific programs was included in that Act, or was made possible by that Act -- from Head Start for pre-school children to Foster Grandparents for our senior citizens. These programs did not deal with welfare programs as such, but all of them had the goal of making poor people, on or off the welfare rolls, better prepared for participating in the labor market. Concurrently, other Federal actions were taken with that same ultimate goal in mind; aid to education would better prepare young people for entry into the job market; civil rights laws would open up doors previously closed.

Looking back over these last 25 years, it is clear that while these programs did help some, perhaps many, become self-sustaining, not enough has been done to achieve the national goal. And, meanwhile, new social problems which cry out for another look at the entire welfare and poverty problem in America have surfaced or worsened.

Rhetorical agreement on the need for welfare reform is welcome. But it is only the beginning in the search for agreement on tough issues. And reforming the welfare system as such is a high priority, but it cannot be viewed in isolation from other areas of national as well as local concerns: education, full employment, health, strengthening families, ending discrimination.

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TESTIMONY BY DR. JOSEPH S. MURPHY

CHANCELLOR OF THE CITY UNIVERSITY OF NEW YORK

SENATOR MOYNIHAN, PRESIDENT STEIN AND MEMBERS OF THE SUBCOMMITTEE:

THANK YOU FOR GIVING ME THIS OPPORTUNITY TO TESTIFY ON THE EDUCATION AND TRAINING DIMENSION OF WELFARE REFORM. I AM TESTIFYING TODAY BOTH AS CHANCELLOR OF THE CITY UNIVERSITY OF NEW YORK AND AS CHAIRMAN OF THE COALITION FOR AID TO PART-TIME STUDENTS, A GROUP OF 22 NATIONAL EDUCATION, STUDENT, LABOR CIVIL RIGHTS ORGANIZATIONS WORKING TO OPEN HIGHER EDUCATION OPPORTUNITIES FOR ADULTS. SENATOR MOYNIHAN, AS ONE OF THE NATION'S LEADING ADVOCATES OF HIGHER EDUCATION AS WELL AS WELFARE REFORM, I BELIEVE YOU ARE IN A UNIQUE POSITION TO APPRECIATE THE ARGUMENT I WILL BE MAKING TODAY.

WELFARE REFORM IS A MATTER THAT CONCERNS US GREATLY AT THE CITY UNIVERSITY OF NEW YORK. WE ARE AN INSTITUTION DEDICATED TO PROVIDING A HIGH-QUALITY, LOW-COST EDUCATION TO THOSE IN OUR SOCIETY MOST IN NEED OF THE FULL RANGE OF OPPORTUNITIES COLLEGE TRAINING CAN PROVIDE. THREE OUT OF FOUR OF OUR STUDENTS ARE THE FIRST IN THEIR FAMILIES TO ATTEND A UNIVERSITY; A HIGH PERCENTAGE ARE NON-WHITE. MORE THAN HALF HAVE FAMILY INCOMES BELOW $12,000 A YEAR. AND WE ESTIMATE THAT ABOUT FIFTEEN THOUSAND OF OUR 183,000 STUDENTS ARE RECEIVING PUBLIC ASSISTANCE.

FOR PEOPLE LIKE THESE, ATTENDING COLLEGES AND UNIVERSITIES ACROSS THE UNITED STATES, HIGHER EDUCATION IS NOTHING LESS THAN A LIFELINE-- THE BEST OPPORTUNITY AVAILABLE TO MOVE OUT OF THE GENERATIONS-OLD CYCLE OF POVERTY AND UNCERTAINTY INTO A SECURE, PRODUCTIVE WORKING LIFE. CUNY GRADUATES-- ABOUT 20,000 OF WHOM WILL EMERGE THIS MONTH-- ENTER THE WORKFORCE WITH SKILLS AND CREDENTIALS THE EMPLOYMENT MARKET DEMANDS. IF THIS YEAR IS LIKE OTHERS IN THE RECENT PAST, EIGHTY-FIVE PERCENT OF THEM WILL BE EMPLOYED A YEAR FROM NOW, AT AN AVERAGE SALARY APPROACHING $20,000.

MORE IMPORTANT EVEN THAN THAT, IN MY VIEW, IS THE FACT THAT THESE 20,000 PEOPLE LEAVE US WITH SOME CAPACITY FOR A CRITICAL COMPREHENSION OF HOW OUR SOCIETY OPERATES AND OF HOW TO MAKE PERSONAL AND SOCIAL CHANGE HAPPEN. THIS INCLUDES AN UNDERSTANDING OF THE DYNAMICS OF THE POLITICAL AND ECONOMIC SYSTEMS THAT CREATED SO MANY BARRIERS FOR THEMSELVES AND THEIR FAMILIES. BUT IT ALSO INCLUDES A RECOGNITION OF THE WAYS IN WHICH AN ENLIGHTENED GOVERNMENT CAN ESTABLISH AND IMPLEMENT PROGRAMS OF CONSTRUCTIVE SUPPORT FOR THOSE IN NEED.

PUBLIC ASSISTANCE IS ONE OF THE MOST CRUCIAL OF THESE PROGRAMS, ALTHOUGH WE ARE ALL AWARE THAT DIFFICULTIES AFFLICT TODAY'S WELFARE SYSTEM AND SERVE AS THE IMPETUS BEHIND THE PUSH FOR WELFARE REFORM. YOU AND YOUR SUBCOMMITTEE, MR. CHAIRMAN, HAVE PROPERLY FOCUSED ON THE IMPORTANCE OF STRENGTHENING THE LINKAGE BETWEEN INCOME MAINTENANCE AND EDUCATION, OPERATING ON THE VALID

ASSUMPTION THAT IN THE LONG RUN AN INVESTMENT IN TRAINING AND EDUCATION FOR WELFARE-DEPENDENT INDIVIDUALS WILL RESULT IN A SHARPLY REDUCED NEED FOR PUBLIC ASSISTANCE.

AS YOU CONSIDER THESE LINKAGES, I URGE YOU TO RECOGNIZE THAT THE WELFARE POPULATION IS NOT HOMOGENOUS AND THAT A STANDARDIZED APPROACH TO JOBS, TRAINING AND EDUCATION IS A PRESCRIPTION FOR FAILURE. TRAINING SHOULD ENCOMPASS AT LEAST THREE OPTIONS.

-- FIRST, REMEDIAL EDUCATION, INCLUDING LITERACY EDUCATION, ENGLISH AS A SECOND LANGUAGE, THE HIGH SCHOOL DIPLOMA AND THE HIGH SCHOOL EQUIVALENCY DIPLOMA, FOR THOSE WHO NEED IT.

-- SECOND, EMPLOYMENT-DIRECTED TRAINING FOR THOSE WHO COULD BEST PROFIT FROM IT.

-- AND THIRD, POSTSECONDARY EDUCATION FOR THOSE WITH THE MOTIVATION AND CAPACITY TO SUCCEED IN COLLEGE. ONE EXCELLENT APPROACH TO HIGHER EDUCATION IS TAKEN IN A BILL INTRODUCED BY CHAIRMAN AUGUSTUS HAWKINS OF THE HOUSE EDUCATION AND LABOR COMMITTEE. UNDER THIS BILL, H.R. 30, IT IS EXPLICITLY STATED THAT INDIVIDUALS PURSUING AN UNDERGRADUATE EDUCATION ON AT LEAST A HALF-TIME BASIS, AND MAKING SATISFACTORY PROGRESS IN THEIR STUDIES, ARE FULFILLING FEDERAL EMPLOYMENT PREPARATION REQUIREMENTS.

THIS BILL RECOGNIZES THAT THE OPTION FOR POSTSECONDARY EDUCATION MUST BE MADE AVAILABLE BY FEDERAL MANDATE. EXPANDED STATE DISCRETION MAY BE DESIRABLE IN SOME AREAS OF WELFARE POLICY, BUT THE STATES SHOULD NOT HAVE THE DISCRETION TO DECIDE WHETHER AN INDIVIDUAL ON WELFARE WILL BE PERMITTED TO GO TO COLLEGE, OR WHAT KIND OF ACADEMIC PROGRAM TO ALLOW, OR FOR HOW LONG. IF THE EDUCATION IS CONSISTENT WITH THE INDIVIDUAL'S EMPLOYABILITY GOALS, IT SHOULD BE ALLOWED.

WITHOUT A FEDERAL MANDATE, WELFARE RECIPIENTS, DEPENDING ON THE STATE IN WHICH THEY LIVE, MAY FACE THE PROSPECT OF BEING TAKEN OFF THE WELFARE ROLLS OR BEING FORCED TO ACCEPT A DEAD-END JOB OR SHORT-TERM TRAINING RATHER THAN CONTINUING THEIR EDUCATION.

WHAT WE MUST AVOID IS REFORM LEGISLATION SO RESTRICTIVE AND SHORT-SIGHTED IN ITS VIEW OF WHAT LEADS TO EMPLOYMENT THAT IT CURTAILS WELFARE RECIPIENTS' OPPORTUNITIES RATHER THAN EXPANDING THEM. WE SHOULD MOVE AWAY FROM REGULATORY LANGUAGE FRAMED EITHER BY THE FEDERAL GOVERNMENT-- OR MORE LIKELY, BY STATE WELFARE AGENCIES-- THAT FORCES PUBLIC ASSISTANCE RECIPIENTS INTO THE KIND OF NARROWLY-BASED VOCATIONAL PROGRAMS THAT CONSIGN PEOPLE TO JOBS AT THE BOTTOM RUNGS OF THE ECONOMIC LADDER.

LET ME BE SPECIFIC. THE AMERICAN ECONOMY IS CHANGING IN REVOLUTIONARY WAYS. IT IS ESSENTIAL THAT ALL OF OUR CITIZENS BE TRAINED IN WAYS THAT EQUIP THEM TO SURVIVE NOT JUST IN THE NEAR FUTURE, BUT THROUGH THE FIRST DECADES OF THE NEXT CENTURY. THE

JOBS THAT WILL EXIST IN 1990-- EVEN THE OCCUPATIONAL GROUPINGS-- MAY NOT EXIST IN 2010. PEOPLE WITH MORE THAN BASIC LITERACY AND COMPUTATIONAL SKILLS WILL BE ABLE TO MAKE THE NECESSARY ADJUSTMENTS. OTHER WILL NOT. PEOPLE WITH A GRASP OF SCIENCE, LITERATURE, POLITICS AND ECONOMICS WILL BE ABLE TO HELP GUIDE SOCIETY AND FIND THEIR PLACE IN IT. OTHERS WILL NOT.

MR. CHAIRMAN, THE GOAL WE ALL SUPPORT IS ONE OF LIFTING AS MANY PEOPLE AS POSSIBLE NOT JUST OFF THE WELFARE ROLLS BUT OUT OF THE CYCLE OF POVERTY. FOR SOME (NOT ALL) OF THOSE CURRENTLY DEPENDENT ON PUBLIC ASSISTANCE THE WISEST AND MOST COST-EFFECTIVE MEANS TO THIS END IS A FULL-FLEDGED PROGRAM OF STUDY LEADING TO A BACCALAUREATE DEGREE-- THE SAME COURSE OF STUDY THAT NOW REPRESENTS THE NORM FOR MOST AMERICANS FROM MIDDLE-CLASS FAMILIES AND WHICH SERVES AS AN EXIT PASS OUT OF THE NATIONAL UNDERCLASS. PEOPLE ON PUBLIC ASSISTANCE WHO DEMONSTRATE THE INTELLIGENCE AND DRIVE TO MAKE THIS LEAP SHOULD BE PERMITTED TO RETAIN THEIR BENEFITS WHILE THEY COMPLETE THEIR STUDIES AS A MATTER OF FEDERAL POLICY.

IN CLOSING, I WOULD JUST LIKE TO ANTICIPATE AND RESPOND TO THREE OBJECTIONS THAT MIGHT BE RAISED TO THIS PROPOSAL.

ONE POSSIBLE OBJECTION IS THAT IT WOULD COST TOO MUCH TO KEEP PEOPLE ON WELFARE AS LONG AS IT MAY TAKE TO COMPLETE AN UNDERGRADUATE EDUCATION. IN RESPONSE, I MUST REITERATE THAT COLLEGE IS NOT THE EDUCATIONAL OPTION OF CHOICE FOR EVERY WELFARE

RECIPIENT; MOST WELFARE RECIPIENTS HAVE NOT FINISHED HIGH SCHOOL AND MANY ARE ILLITERATE. THE COLLEGE-GOING WELFARE POPULATION IS INHERENTLY LIMITED, AND THEREFORE SO IS THE COST, BUT IT IS A POPULATION THAT POSSESSES THE BEST CHANCE OF ACHIEVING GENUINE SELF-SUFFICIENCY IF INSUPERABLE BARRIERS ARE NOT PLACED IN ITS PATH.

A RELATED OBJECTION IS THAT PEOPLE WILL SOMEHOW "GET THEMSELVES ON WELFARE" IN ORDER TO GO TO COLLEGE. IN RESPONSE TO THAT, I WOULD POINT OUT THAT THERE IS NO EVIDENCE OF ABUSE OF THE WELFARE SYSTEM FOR THIS PURPOSE IN STATES WHERE POSTSECONDARY EDUCATION IS NOW A PERMITTED TRAINING OPTION, INCLUDING STATES PERMITTING FOUR YEARS OF COLLEGE FOR WELFARE RECIPIENTS. ALSO, CONSIDERING HOW HARD IT IS TO QUALIFY FOR PUBLIC ASSISTANCE, CONSIDERING THE OPPROBRIUM ATTACHED TO BEING A WELFARE RECIPIENT IN OUR SOCIETY, AND CONSIDERING THE DIFFICULTY OF MAINTAINING SATISFACTORY PROGRESS IN COLLEGE FOR A PERIOD OF YEARS, I AM TEMPTED TO SAY THAT ANYONE WHO OVERCOMES THESE OBSTACLES JUST TO OBTAIN A COLLEGE EDUCATION DESERVES NOT CENSURE BUT THE SUPPORT AND ADMIRATION OF THE COMMUNITY.

A THIRD OBJECTION IS THAT SOME PUBLIC ASSISTANCE RECIPIENTS MAY, IN THE ABSENCE OF TIGHT REGULATIONS TO THE CONTRARY, OPT TO ENROLL IN PROGRAMS (PARTICULARLY IN THE LIBERAL ARTS) WITH NO SPECIFIC VOCATIONAL FOCUS. WHAT BENEFIT IS THERE, SOME MAY ASK, IN TRAINING A WELFARE RECIPIENT IN PHILOSOPHY? MY RESPONSE IS THAT IT RAISES A FALSE DILEMMA. A VAST ARRAY OF JOBS, PARTICULARLY IN THE PUBLIC SECTOR, REQUIRE A BACCALAUREATE DEGREE AS A CREDENTIAL BUT STIPULATE NO SPECIFIC FIELD. THE MAJOR IS FAR LESS IMPORTANT TO THE EMPLOYER THAN THE EVIDENCE OF THE APPLICANT'S ABILITY TO COMPLETE A LARGE BODY OF WORK. MOREOVER, IT IS HARD TO PREDICT WHERE VARIOUS KINDS OF TRAINING WILL LEAD. AS ONE WHOSE FAMILY WAS ON RELIEF AND WHO RECEIVED A DEGREE IN PHILOSOPHY-- AND WHO SOMEHOW MANAGED TO STAY OFF THE WELFARE ROLLS IN THE YEARS THAT FOLLOWED-- I CAN ATTEST TO THE POTENTIAL ECONOMIC VALUE OF TRAINING EVEN IN ESOTERIC FIELDS.

UNDOUBTEDLY OTHER OBJECTIONS MAY BE RAISED. BUT AS YOU, MR. CHAIRMAN, KNOW BETTER THAN ANYONE, NO PROPOSAL TO REFORM OUR WELFARE SYSTEM WILL SATISFY ALL CONSTITUENCIES OR RESOLVE ALL OF THE PROBLEMS ENGENDERED BY POVERTY AND INEQUALITY. SOME PROPOSALS, HOWEVER, WILL MOVE MUCH FURTHER TOWARD THOSE GOALS THAN OTHERS.

WHAT WE AT THE CITY UNIVERSITY OF NEW YORK, AND THE CAPS COALITION, ASK FOR IS A SYSTEM OF PUBLIC ASSISTANCE THAT OFFERS GENUINE OPPORTUNITY TO THOSE FOR WHOM OPPORTUNITY HAS LONG BEEN AN ILLUSORY CONCEPT-- ONE THAT RECOGNIZES THAT FOR MANY OF THE NATION'S POOR A COLLEGE EDUCATION REPRESENTS A REALISTIC MEANS TO A PRODUCTIVE LIFE. WELFARE, LIKE EDUCATION, SHOULD SERVE TO LIBERATE THOSE TRAPPED IN A PRISON OF DEPENDENCY. WORKING IN CONJUNCTION WITH ONE ANOTHER, OUR PUBLIC ASSISTANCE SYSTEM AND OUR EDUCATIONAL SYSTEM-- INCLUDING HIGHER EDUCATION-- CAN, I BELIEVE, SERVE THAT LIBERATING GOAL.

U.S. Senate Committee on Finance

Subcommittee on Social Security and Family Policy

Hearing on Welfare Reform

BARBARA B. BLUM

U.S. Court of International Trade
One Federal Plaza
New York, New York

June 15, 1987

Thank you. I am extremely pleased to have the opportunity to share my views on the state of services for poor children and families in New York City. Like others, I find it gratifying that a city and federal official are joining forces to explore this topic. I was struck, however, by the New York Times report on the first hearing sponsored by the Senator and Mr. Stein, which described the proceedings as pervaded by a sense of pessimism. To the extent that the characterization was accurate, we should re-examine our premises for future work. There are certainly grounds for feeling disheartened about New York's response to human need. We are far from where we ought to be. But pessimism can be addictive. An effort to begin with a realistic assessment of grave problems and difficulties can sometimes create a mindset that makes it difficult to identify accomplishments, leading to the conclusion that nothing can change. In fact, we have reason to affirm several major improvements in city services over the past 15 years. Let me briefly remind you of two of them.

First, recall that in the early 1970s the city and state income maintenance system operated with enormous -- more than 25 percent -- error rates. Today that is no longer the case, and those of us who argue for more generous benefits for poor children and families are not burdened by charges that the system is rife with fraud and abuse. Second, remember that 15 years ago, New York was holding literally thousands of foster care children in large, impersonal, isolated institutions. Over the ensuing years the city's capacity to offer more appropriate home-like settings to children unable to live with their families has increased dramatically, a fact we forget as we struggle to provide services to more and more children of drug addicts, children with AIDS, and children without homes.

Then, too, New Yorkers tend to undervalue a resource that generations of the disavantaged have been able to draw upon -- the successful caring agencies that work in conjunction with government to alleviate hardship. Organizations like the Center for Family Life in Sunset Park, the Lower East Side Family Union, and the East Harlem Block Nursery often can accomplish only a fraction of what they would like or what we should help them do, but without their efforts, life for many of the city's poor would be infinitely more lonely, grim, and bereft of hope. What is more, these agencies are indeed a resource to public service providers and political leaders. Again and again, staff members at our best voluntary agencies have found new and improved ways of doing their jobs and have developed more holistic models of service provision. If we heed their innovations, we have at hand information on how to improve services. Ideas are there for the replication.

As for New York's public service delivery system, it too often frustrates, confuses, and entangles, but, with all its shortcomings, it represents a significant, if cumbersome and often ineffective, commitment of public resources to improving the lot of the poor. Many of these resources need to be more effectively deployed, but at least we need not build from the ground up. There is a far-reaching structure that begins to support the disadvantaged and that could be adapted to become more responsive and effective.

This is not to claim that change will come without massive commitment. One difficulty is that the social service system must absorb wave after wave of the demographic and economic upheavals that characterize large urban centers, and consequently, as soon as progress is made on one front, new problems present themselves: homelessness, for example, or the shortage of foster care placements, most dramatically illustrated by the plight of boarder babies.

However, with the exception of an unusually unpredictable development like the AIDS epidemic, these new difficulties do not materialize out of thin air. In the future, more careful attention to population and other trend data is needed to help us anticipate such pressure points. While this may be good advice for the 1990s, some problems have already developed into crises.

The city has responded to the homelessness crisis at its most elemental: beds have been found for people who have none. Now we must work to ensure that the shelter is available and decent. Senator Moynihan's legislation that would help shift housing for the homeless from welfare hotels to more habitable arrangements is a most welcome and important step in that direction. We must do more to identify and speak to the diverse service needs that our homeless population presents. If we examine the work of Catholic Charities in Brooklyn, for example, we will find useful models to emulate in assisting various groups among the homeless. We must continue to press for the kind of increase in the AFDC shelter allowance that was provided in this year's state budget. Finally, New York State should discontinue separate shelter allowances. Besides simplifying administration, a flat public assistance grant would lessen the temptation for landlords to raise rents whenever benefit levels are increased.

To solve our boarder baby crisis, the city first needs better information on exactly who these children are and why they have been abandoned. A clearer picture of trends is needed to facilitate recruitment of appropriate foster parents -- and I am quite certain that although the challenge is considerable, it is possible to find good foster parents to care for most, if not all, of these infants. I am deeply opposed to treating AIDS babies as a special case by automatically placing them in group care. Leaving aside the fact that they carry the AIDS virus, these are particularly needy infants. In many cases the children of drug users, they are likely to have received little or no prenatal care. Let us remember, too, that by no means will all of these children succumb at an early point to the disease. Some who test positive may be registering their mothers' immunities and may eventually test negative. It would be tragic to compound the health problems of babies who may live into childhood and beyond by leaving them open to the developmental disabilities that are apt to follow in the wake of impersonal, discontinuous institutional care. Rather, we can identify nurturing foster parents for these infants. It will be necessary to compensate them at higher than usual rates, for they will be involved in difficult work, rearing sick children. But the cost is likely to be only one-third to one-half the expense of a congregate setting.

Of course, when the city responds to a boarder baby or homelessness crisis, it confronts only some of the most visible manifestations of more widespread and endemic poverty and dependency. Rather than being forced to pour resources into alleviating these cases of extreme hardship, society needs to intervene more decisively at earlier points to encourage self-sufficiency.

There are no easy answers about how to do this, but there are clues. As a past president of the Manpower Demonstration Research Corporation, I am particularly aware of how my predecessor, now our human resources commissioner, was instrumental in launching the early research studies that have highlighted the potential of work/welfare programs. Thanks to the efforts of Mr. Grinker and many others at MDRC, we now understand more about how to allocate limited employment and training resources to the welfare population. We know that more intensive treatments like education and training should be targeted to particularly hard-to-employ groups -- for example, teen mothers or women with little or no past work experience. In the past, program managers have been reluctant to serve the hardest-to-employ, since their placement rates are low. Research shows, however, that it is precisely these people who most benefit from assistance. The better prepared recipients who register higher placement rates are more apt to find jobs on their own. Meanwhile, the seemingly modest employment outcomes achieved by women who have never held a job or those with little education often actually reflect significant improvements over what they could have accomplished without the program.

In New York City we face a particularly difficult task when we try to apply these targeting lessons. This is because relative to welfare populations in many other localities, ours contains an especially high proportion of hard-to-employ people -- for example, single mothers without high school diplomas or with long histories of welfare dependency. Providing these individuals with the intensive training they will need to enter our sophisticated service economy requires a serious investment of resources. But in calculating whether they wish to make that investment, the public, its leaders, and the business community must also consider what it will cost to maintain these women on public assistance -- and more important still, they must weigh the long-term social and economic costs of allowing the children of these recipients to grow up in welfare-dependent households.

Senator Moynihan and others have suggested that in addition to work/welfare programs, another important strategy to promote self-sufficiency among recipients is to focus more attention on the rightful contributions of absent parents to the family. Typically, proposals to effect this goal call for more aggressive government pursuit of child support payments. Another common suggestion is to establish a so-called child support assurance allowance to be contributed either by the absent parent, or, when all else fails, by the government. This allowance would replace the AFDC grant as the centerpiece of the income maintenance system.

It would be extremely valuable for New York to explore the possibilities of such a system. It must be recognized that as is true for targeting work/welfare programs, our city presents a decidedly difficult constellation of problems to those who would like to put this reform into practice. Although New York has greatly improved its collection rates, it remains true that only 20 percent of our recipients have support orders and in many cases the absent parents are too poor to make significant contributions to the household. Thus, we must maintain realistic expectations about the level of welfare savings the city could realize from the transformation of an income support system from an AFDC to a child support allowance. In the short run the shift may be as much symbolic as financial.

However, on issues as fraught with emotional baggage as family responsibility and dependency, a shift in symbols and assumptions can free up important energy to move ahead. Furthermore, a serious effort to establish stronger links between the child support and welfare systems raises the possibility of a work/welfare program for a group badly in need of such services: young unemployed unmarried fathers, who could be required to engage in some meaningful work-related activity in lieu of income contributions. If these young men can be prepared for the labor market, social costs would ultimately be reduced. In any event, requiring their participation in work/welfare programs would send a clear signal about the value of taking responsibility for their children.

My premise today has been that meaningful change in the quality of services to poor New Yorkers is not beyond our reach. Nevertheless, if present budgetary policies continue, city efforts will become a pale shadow of what could be achieved with a strong commitment from the federal government.

To provide for the next generation, our entire nation must be willing to make a serious investment in low-income housing, child care, health services, and employment and training programs. We can pay now with more generous social spending -- or we can pay later in lost productivity and in expensive treatments for child abuse, crime, drug addiction, and other predictable outcomes of our failure to attend to the basic needs of children and families.

Unquestionably, states and cities could contribute more than they do. They could, for example, regard windfall tax surpluses as a windfall opportunity to cure festering social ills. But given the reality of economic competition between localities, states and cities often lack the financial independence needed to tax at a rate that permits proper funding levels for good social services. Moreover, it is inequitable to expect selected communities or regions to discharge the major portion of what is truly a national responsibility.

We New Yorkers can advocate for greater federal assistance, we can stop apologizing for our need for such assistance, and we can hope for better times and better sense to prevail in Washington. But realistically the federal funding picture is unlikely to change dramatically in the near future. Some might argue, therefore, that pessimism is indeed the appropriate response, that we can expect only modest improvements in city services until more resources are forthcoming. I think otherwise. It would be a serious mistake to wait for new developments at the federal level. One reason why New York must move ahead decisively is that our actions are not unrelated to what ultimately happens in Congress. An important part of the story of why social services have been starved over the last eight years is widespread public skepticism about the value of governmental programs for the poor. To the extent that we in New York demonstrate that these programs can be managed more creatively, humanely and efficiently, we can make the case for the usefulness of a decently funded social service system. New York's social service community cannot single-handedly change the national level of support for major programs, but we can show that the resources that are available to us are well and wisely spent. In the past, New York has been viewed as the prototype of the large, bureaucratic, wasteful social service system. But there is the vision, good sense, and knowledge in this progressive city to create something better -- a network of well organized services that could serve as a model for change.

Statement by

Ruth J. Morrison-Owens

I am Ruth J. Morrison-Owens, Vice-President and Director of Youth Affairs for the Brooklyn Chapter of the National Association of Minority Political Women, USA.

I want to thank Senator Moynihan and the members of the Senate Sub-Committee on Social Security and Family Policy for giving the Brooklyn Chapter of the National Association of Minority Political Women, USA, the opportunity to present our views on "Welfare: Reform or Replacement?"

The National Association of Minority Political Women, USA (NAMPW, USA) is a national organization with its headquarters based in Washington, DC. The organization was founded in 1983 and now has 30 established chapters across the nation, with chapters in formation.

NAMPW, USA is an independent non-partisan organization established to provide all minority women and their families with an avenue for participation in the political process. We seek to serve as a leading proponent for educating and training minorities in the skills and techniques of voter education, political participation, legislative proceedings, lobbying and networking. Through our forums and conferences, we have addressed some very critical issues such as; adolescent pregnancy and parenting, infant mortality, housing and public education. Our public forums were held with distinguished panelists that included but were not limited to, pediatricians, family psychologists, social workers, housing specialists, teachers, and a community school board superintendent.

Although, our public forums addressed the problems facing the poor in New York City, it is safe to assume that the plight of the New York City poor is a "mirror image" of the conditions of poor people across this vast nation. And therefore, we can say unequivocally, the living conditions of poor families in America are absolutely desolate.

Under the duress of inhuman conditions fostered upon them by the almost criminal neglect of our public policy, the general state-of-being of the poor has declined sharply. The "safety net" for America's poor is abysmal. Our public policy has failed our poor, and our youth in particular; the next generation that could have broken the cycle of dependency.

The evidence is overwhelming, declining federal dollars have taken its toll on housing, health, and education among others. As the poverty level increased, welfare benefits have actually dropped below the poverty level. This situation has led to the burgeoning problem of homelessness. Welfare benefits that have not kept pace with the changes in the housing market have left the poor unable to find affordable apartments to house their families. To make matters worse, our public policy will only provide funds for emergency shelter, thus the "welfare hotel".

It is appalling that in our nation of great wealth, families are expected to live like nomads or in temporary shelters. The conditions of welfare hotels are so deplorable, the American Society for the Prevention of Cruelty to Animals (ASPCA) would protest housing animals within them.

The statistics reflecting infant mortality and maternal deaths are unacceptable. According to the New York State Department of Health, in 1985, blacks had a higher infant mortality rate than the state as a whole. The infant mortality rate for blacks was 15.2 deaths per thousand live births; while the infant mortality rate for the state was 10.7 per thousand live births. Also, according to the New York State Department of Health, in 1985, blacks had a higher maternal death rate than the state as a whole, and their white counterparts. The maternal death rate for blacks was 3.0 per 10,000 births; while the maternal death rate for New York State and white women was 1.4 and 0.8 per 10,000 births respectively.

Adolescent pregnancies are occurring at an alarming rate and with serious financial consequences. A study conducted by the Center for Population Options in Washington, DC, found that adolescent pregnancies have cost U.S. taxpayers at least $34 billion in welfare money over the last two years. In 1984, the New York City Department of Health reported 35,000 adolescent pregnancies, including nearly 1300 pregnancies for the 10 - 14 year-old age group. In many cases, these adolescents come from multi-generations of welfare families. Also, it is not uncommon to see a 20 year-old woman with three or four children. This is symptomatic of our national welfare system, as it encourages large families; the larger the family, the larger the family budget. Coupled with a failed educational system, our national welfare system has become a breeding ground for chronic dependency, multi-generations of welfare recipients.

In New York City, by most accounts, the school drop-out rate is over 55%. For an uneducated, unskilled young woman, welfare is not a temporary holding station, but rather a "fishnet" to long-term impoverished conditions; a seducement into a world of bleakness and adversity.

We must modify our national welfare system to one that includes the promotion of literacy, incentives for high school completion, a work incentive program that provides training for gainful and meaningful employment, the overhaul of the medical insurance portion, and the provision of day care services for those who are school and/or work bound.

In recognition of our increasing technological and service-based economy, training programs must be developed with these factors in mind. However, before we get that far, because the illiteracy rate among this population is very high, we must commit to remediation services. Remediation services that will provide the necessary academic foundation, the first step before the vocational training process.

The preferred training program would have an on-the-job training component, or, the training itself would be designed with all the rigors of work. This is essential in order to get those who have never worked accustomed to what is expected in the world of work. The need for guidance and counseling will be on-going to assist with day to day problems and to allay any fears of the work world. The key here is retention in the program that will cut the cord of dependency.

Included in the job placement, is the need for resume and application preparation, preparation for qualifying examinations, interviewing techniques, and what to do once the job is obtained.

Any discussion regarding education and training can't be done without discussing the need for child care services. Affordable public child care service is absolutely essential. Although, the child care setting cannot provide the values of every parent, it should at the very least be a nuturing environment.

Increasingly, mothers are returning to work before their children reach the age of six, most out of necessity rather than a strong desire to be a part of the work force. And the jury is still out on what impact this has on child development. As the welfare policy is redesigned to mandate mothers into an educational and/or training program, we believe it should not be required before the youngest child reaches the age of three.

As welfare recipients edge their way into work and self-sufficiency, we must do all that is possible to make certain they retain basic medical coverage. Basic medical coverage should not be an issue when one is faced with a decision between work and welfare. A system that was developed to cover poor elderly persons in addition to the poor general population, does not go far enough to include families with more than two persons. According to a New York Times article, a family of three with an income at the poverty level of $8,738 exceeds the maximum medicaid eligibility of $7,233 by just over $1,000. Medicaid eligibility should be modified to cover families without employer-supplied medical coverage with incomes at 110% of the poverty level regardless of family size.

As we presented the dilemma of poor families on welfare, and discussed possible remedies, we often discussed the concerns as though they only affect women. Although the overwhelming majority of poor families are headed by women, there are poor families that include men. And men are not exempt from the effects of poverty, therefore, any training programs designed, must be designed to also include men.

We now want a public policy that will hold parents and particularly fathers, accountable for the children they create, and we should. However we must understand, there are some fathers who ought to have their feet held to the fire. And, there are those who are not financially responsible not because they don't want to be, but because they do not possess the tools to adequately provide for their families. They too are uneducated and unskilled. Let's not forget that it was our national welfare system that fostered this situation of unaccountability and denial. Unfortunately, for families who were destitute, our public policy made it clear, in order for families to qualify for welfare, fathers could not be within the household.

Welfare reform will not be accomplished overnight, therefore, we cannot expect immediate results. The payback may even seem light years away. However, we must be willing to commit the resources both human and financial, thus we will continue to have a nation of two societies. A nation that contains a sizeable underclass of citizens that are uneducated, unskilled, homeless and standing in line at soup kitchens. A scene reminiscent of our past we thought we had long wiped away forever. We must find a cost-effective way for effective welfare reform, in essence we must bite the bullet; otherwise our society will pay a higher price than we bargained for.

over 55 years of caring

"Little Guys' Project"
Little Flower Children's Services of New York

200 Montague Street
Brooklyn, N.Y. 11201
718-858-1212

THE "LITTLE GUYS' PROJECT" POLICIES AND PROCEDURES

The "Little Guys' Project" is a special emergency temporary boarding home program which was initiated by Little Flower Children's Services of New York to respond to the present infant crisis.

Its purpose is to place infants who are presently waiting in City hospitals and in other forms of congregate care with loving surrogate parents.

Little Flower first opened a temporary nursery on Pacific Street in Brooklyn. The daily contact with these infants moved the Agency to a new and somewhat innovative approach to find loving foster homes for these children. The plight of these "Little Guys" holding out their arms from their cribs literally cried out for an answer.

The answer, we felt, was to be found in faith, not only a faith in God's special concern for these infant children, but a faith in the people of the metropolitan area. Once they were made aware of the problem, they would come forward to share their love and protection with these homeless babies.

It was important to communicate with the general public and tell them the story. The Agency prepared an advertisement which was placed in the "New York Daily News". The Agency also has a policy of cooperation and collaboration with the media. Little Flower has a policy of always being "available for comment". Responses from New Yorkers began to come in.

The recruitment of these emergency and temporary "Little Guys" foster families is different than the normal home finding recruitment for foster homes in the following ways:

We presume that applicants to help the "Little Guys" have a high sense of motivation. They are motivated first and foremost by a desire to help these babies. All our written communication with the applicants remind them of the urgency and crisis nature of the program. Every day that there is a delay in the final approval of the applicant means another day that an infant waits in a crib.

The first "Little Guys" applicants have demonstrated a strong humanitarian motivation to reach out. Almost all had never participated in the foster care system before.

It asks only for a temporary placement - three months or 100 days (we may ask for six months).

It asks that the foster parent be prepared to reach out to the next infant who waits in the hospital without question about the sex, religion, race or ethnicity of the infant. The infant needs the consistent nurturing of a parent surrogate and the foster parents in the "Little Guys' Project" must be prepared to step forward to help the next infant who waits.

The recruitment appeal for foster parents in the "Little Guys' Project" is aimed at all levels of society, asking New Yorkers to do something to help these fragile and vulnerable members of our human community.

In the seven weeks since the advertisement was placed in the "Daily News, the Agency has experienced an increase in applicants for the usual long term foster parent program and adoption program. Some applicants for the "Little Guys' Project" after attending the orientation meeting, have decided to become involved in the Agency's long term foster care program or adoption program.

The first class of applicants was identified on December 3rd, and assigned Agency case workers on December 4th and 5th. Twenty-five cases were assigned.

Our Agency case workers were asked to work overtime to complete the home studies in a period of four weeks. In spite of the fact that this was the holiday season with extra demands made upon them, the case workers selected for this task completed the home studies necessary for licensing by January 9th. All during the week of January 5th, infants were placed from Kings County Hospital into the arms of the "Little Guys" emergency foster parents. While the Project met its first goal because of the extra efforts of our Agency case workers, it was decided to recruit trained case workers outside the Agency on a per case basis. Mrs. Mary Ryder oriented these case workers on our emergency home study procedures. The Agency is trying to create a separate management structure for the "Little Guys' Project" that will not add additional burden on Agency staff already engaged in carrying out ongoing Agency programs in adoption and foster care. When the infants are placed by the Agency they will be supervised by the usual Little Flower case workers.

Little Flower has expended special funds on the project. The Agency will meet with Special Services for Children to obtain a per diem rate for the babies which will reflect the special costs incurred. Infants lying in hospitals not only damages the child, but is cost ineffective.

Little Flower will meet with Special Services for Children to ask the assistance of other agencies to make long term planning of these infants. All the infants in the "Little Guys' Project" are to be considered to be on referral. Other agencies are invited to place these well-cared-for infants in their own foster home or adoptive programs. Unlike the infants lying in the hospitals, these infants are in better physical and emotional health and, in general, better condition because of the loving and individualized care they will have received from their temporary foster parents. But all the infants in this project are on referral for permanency.

The infants presently face two problems. They are lying in hospital nurseries. The "Little Guys' Project" can resolve this problem. The second problem facing the infant is long term permanency planning for the child. The "Little Guys' Project" does not address the child's future. What will become of this "little guy"? Return to family, long term foster care or adoption are the roads to permanency. Little Flower is working on these goals, but we cannot be expected as one Agency to accomplish this alone.

Little Flower is increasing its effort to find adoptive and foster homes for these infants as are the other voluntary child caring agencies in the City. Special Services for Children has stepped up recruitment efforts to find adoptive and foster parents. This must be a united effort.

Some questions remain:

What will happen if Permanent Plans are not in place by three months or one hundred days? We will ask the "Little Guys" foster parent to continue to care for the infant until permanency is found.

What of the sensitive issue of bonding. Bonding could take place between the "Little Guys" temporary foster mother and the infant. This must be monitored carefully in the program.

What will happen if the "Little Guys" foster parent wishes to permanently plan for the infant? The request will be considered but for permanency the issues of sex, religion, race and ethnicity must be carefully considered. Agency policy is to place children with parents of the same religion, race and ethnicity.

The training sessions with the "Little Guys" foster parent applicants emphasize the temporary nature of this program and the importance of sex, religion, race and ethnicity in long term permanency planning.

The "Little Guys' Project" moves forward step by step. Little Flower hopes to close its nursery on Pacific Street as soon as the crisis is over and enough loving parents are recruited to care for these infants.

The Agency places its faith in people that will respond and in God's goodness and providence.

NEW YORK STATE
DEPARTMENT OF SOCIAL SERVICES
2 WORLD TRADE CENTER, NEW YORK, NEW YORK 10047

CESAR A. PERALES
Commissioner

STATE DEPARTMENT OF SOCIAL SERVICES/SPECIAL SERVICES FOR CHILDREN

GUIDELINES TO EXPEDITE THE HOMESTUDY PROCESS FOR INFANTS

The problems of infants remaining in hospital care beyond their need for medical services are at a crisis level in New York City. The State Department of Social Services, New York City Special Services for Children and Voluntary Child Care Agencies are working together to ensure that appropriate placements for infants in hospitals and congregate care facilities are found immediately. It has been estimated that placements may be needed for as many as 300 children.

Therefore, there is an urgent need to identify and expedite homestudies for families interested in becoming foster parents for these children as soon as possible as a family environment is essential to an infant's health and development. An "expedited" home study process does not means lowering standards or compromising the safety of children. It involves intensifying and simplyfying the process. The health and safety of children will continue to be primary for infants and children residing in hospitals and non-family settings. All foster homes shall be in substantial compliance with all applicable provisions of state and local laws, ordinances, rules and regulations.

The following Guidelines have been developed by the State Department of Social Services and Special Services for Children in order to expedite the completion of the homestudy process.

GUIDELINES TO EXPEDITE THE HOMESTUDY PROCESS FOR INFANTS AND CHILDREN RESIDING IN NON-FAMILY SETTINGS

1. ORIENTATION MEETING

   - Evening and weekend orientation meetings are necessary. Supervised babysitting should be provided in an area designated for that purpose.

   - To compliment the present procedures/resources, additional workers or trained volunteers (i.e. students, foster parents) should be present at the orientation meeting to assist persons with completion of forms.

2. HOME STUDIES

   - Staff, particularly those hired under intensification funds and assigned per diem, should be deployed during evening hours and on weekends for the convenience of applicants not available during regular agency hours.

   - Home studies will be completed within four to six weeks.

3. MEDICALS

   - Medicals will be made available free of charge in each borough at an area hospital which is a part of the Health and Hospitals Corporation.

- A list of facilities offering free medicals will be developed by Special Services for Children.
- Agencies having physicians available to provide free medicals may continue to use this option.

4. STATE CENTRAL REGISTRY CLEARANCE

- Applications and SCR Clearance Forms will be completed and signed at the initial orientation meeting. The SCR Clearance Form should be mailed to Albany immediately.
- The Register will process applications within ten days.

5. REFERENCES

- Two written references.
- The two in-person interviews can be substituted with verbal contacts, i.e. telephone conversations.
- School references may be requested through letters which state that a response within three weeks is essential due to the urgent need to place children. The school should be informed that it may telephone immediate concerns to the agency, but written follow-up may be requested. Report cards might be used in lieu of school references during summer months with written follow-up when school resumes.

6. SPACE

- A judgement should be made to determine the ability of the home to incorporate a crib; the safety and comfort of the child is the primary concern. Exceptions to space requirements should be assessed at a supervisory level before rejection of an applicant is made. All Exceptions must be approved by the Regional Office.
- Exceptions to certain other space requirements will be allowed upon approval by SDSS Regional Office.
- Inform applicants that children under the age of three years old may share the bedroom of the foster parent(s). A child of any age may share the bedroom of an adult of the same sex.

7. PARENT TRAINING

- Applicant training meetings can be reduced to one session. These should also be held on weekends or evenings to accommodate prospective families. Topics will focus on the needs of infants.

8. FACT SHEET

- SSC's recruitment campaign will indicate that free medicals, resource will be made available.

- Agency recruitment ads should also indicate availability of free medicals, reimbursements and special allowances for the care of the infants.

- Agencies should develop a fact sheet (possibly one page describing basic facts about foster care certification. It should be attractively designed and postively oriented to foster care. It can briefly describe the major facets of the foster care process. This fact sheets should be mailed to each individual who inquires about foster parenting. The time and place of the orientation meeting will be included on the fact sheet as well as a list of the common documents that will be needed. A listing of free resources for medical examinations should be included.

- Additional copies of the fact sheet will be available at the orientation meeting.

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200 Montague Street
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December, 1986

Dear Friend of Little Guys,

I am writing this little update on our progress to find families for the babies who wait in hospitals and nurseries.

The initial steps have been completed. Our ad in the NEWS was placed on November 19th. By Sunday, November 23rd, we had received almost one thousand inquiries of interest.

By Friday, November 21st, we had mailed out 850 invitations to attend orientation meetings at one of three locations: Montague Street in Brooklyln, Rockville Centre, and Wading River. The basic elements of the "Little Guys" Project were explained at these meetings. They were held on November 24th and December 1st. A total of 112 persons attended these meetings.

Some of those attending expressed a wish for adoption of foster care and they were recruited by these departments at Little Flower. The others were asked to mail back their formal application to begin the process.

By Monday, December 1st, twenty-five applications were in our hands. All of these were assigned to a social worker December 4th and 5th. These applicants will constitute our first class of parents for the "Little Guys" Project and will be officially licensed to care for the babies.

We hope to complete the home studies of this first class in four weeks and place the first infants.

A second class will be formed as soon as possible, but we are constrained by the number of social workers we can employ for this effort and also by the amount of funds we can expend on the "Little Guys" Project.

The first steps are over but we have many more to take.

We ask to keep our "Little Guys" Project in your thoughts and prayers. Thank you again for your concern and interest.

Sincerely,

Father John Fagan

Father John Fagan
Executive Director

JF:sh